



SAUDI ARABIA 2020

B20 Policy Recommendations to the G20

REALIZING OPPORTUNITIES OF THE 21ST CENTURY FOR ALL

TRANSFORMING FOR INCLUSIVE GROWTH





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Key Message to the G20

The global economy is in its worst state in a century. While the COVID-19 pandemic pushed the economy over the cliff, many mishaps had brought it to the edge. The challenging opportunity is to *'build back better'*, with real urgency required from policymakers and business leaders.

The G20 has demonstrated agility and collective leadership in coordinating emergency health and economic responses, and it tried to contain unilateral measures. However, as the economic recovery evolves over the next couple of years, downside risks remain elevated, driven by trade tensions, policy uncertainty, geopolitical strains, and a further build-up of financial vulnerabilities. Furthermore, low productivity growth, demographic changes, growing inequality and unequal access to opportunities, precipitate legacy issues.

Business has its share of responsibilities to honour and a substantial role to play in building back an economy that is socially inclusive and environmentally sustainable. The great anecdotes of business responses to the COVID-19 pandemic bear testimony to its larger purpose of social good. *Building back better* requires deepening public, private, and citizen cooperation.

Accordingly, the B20, representing the international business community, advocates for bold and broad-based policy action that will put recovery on a stronger, more stable growth path and benefit all. Well-coordinated monetary and fiscal policies, macroprudential tools to safeguard financial stability, a reformed WTO and inclusive multilateral trading system, agreement on the multilateral framework on investment facilitation, completing the structural reform agenda, reforms to broaden education, and policies to reduce debt, can safeguard stability in the short term and can raise the level of G20 GDP by more than four percent in the long term.

The B20 recommendations focus on the immediate challenges without losing sight of the medium- to long-term developmental goals:

- ▶ **Empowering people** by unleashing opportunities for all. The B20 recommends accelerating efforts to empower women and youth, building workforces resilient to technological, health and economic risks, scaling up financing for sustainable development, pursuing economic diversification including job-creating sectors such as sustainable tourism, and making substantial progress on trade cooperation including institutional reforms.
- ▶ **Safeguarding the planet** by fostering growth within the limits of the planet. The B20 recommends accelerating action to achieve net zero carbon, promoting cleaner and more sustainable energy systems, strengthening climate resilience of infrastructure, promoting the transition to circular economy, facilitating investments in green technology, and promoting the sustainable use of freshwater systems and the ocean.
- ▶ **Shaping new frontiers** by enabling an even adoption of technological advances and enhancing a culture of integrity. The B20 recommends enhancing the environment for fintech, supporting resilient digital infrastructure by growing requisite skills, advancing smart cities, and leveraging technologies to manage risks related to corruption and fraud.

The B20 has strived to deliver action-oriented and impactful policy recommendations, through an inclusive, collaborative and transparent approach, and adopting highest professional standards. The B20 is committed to continue its engagement with the G20 to put these policies into action. We look forward to decisive, bold and collaborative actions by the G20.

Summary of B20 Policy Recommendations to the G20

◀ Empowering People

1. The G20 Members should unlock the advancement and full leadership potential of women by driving reforms, fostering an inclusive environment, ensuring fair and equal pay and encouraging new ways of flexible working.
2. The G20 should implement reforms to ensure a safe employment recovery within a more resilient labour market.
3. The G20 Members should apply a user-centric approach to policymaking and create synergies between stakeholders.
4. The G20 should encourage and promote coherence between the multilateral trade and investment system and other relevant international organizations, especially with regard to achieving the SDGs, responding to climate change, and ensuring a smooth transition to sustainable and diversified economic development.
5. The G20 should facilitate sustainable financing by developing a roadmap for international coordination on sustainable finance taxonomies and alignment on a sustainable disclosure framework, across all ESG considerations.
6. The G20 Members should boost employability at scale through transformed education and lifelong learning.
7. The G20 should promote female business ownership and create an enabling environment for female-founded start-ups and businesses.
8. The G20 should strengthen the multilateral trade and investment system, while pledging to a standstill and rollback of protectionism, supporting open markets, enforcing and advancing the rulebook to ensure a global level playing field.
9. The G20 should promote trade in services and facilitate trade finance and insurance solutions by supporting ongoing services negotiations within the WTO, facilitating access to trade finance and insurance, and supporting service exports in travel-related sectors.
10. The G20 Members should proactively enable SMEs and entrepreneurs.

◀ Safeguarding the Planet

11. In line with the Paris Agreement goal of “*holding the increase in the global average temperature to well below 2 degrees Celsius above pre-industrial levels and pursuing efforts to limit the temperature increase even further to 1.5 degrees Celsius above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change*”:
 - i. The G20 Members should commit to achieve carbon neutrality in the second half of the century, preferably by 2050; and accelerate policy implementation towards this aim.
 - ii. The G20 Members should develop enabling regulatory and financial policy frameworks that support the transformation of their economies towards carbon neutrality.
12. The G20 Members should strengthen the climate resilience of infrastructure by developing strategies for developing new or retrofitting existing infrastructure that can better withstand climate hazards enabled by appropriate risk assessment tools, transparent and tested standards, sustainable master planning and innovative financing vehicles.
13. The G20 Members should define policies and guidelines that promote the sustainable use of freshwater systems and the ocean, thereby reducing the negative effects of human activities on water systems.





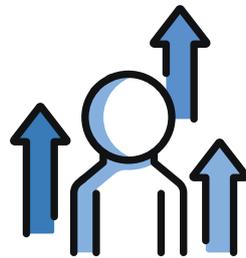
◀ Shaping New Frontiers

14. The G20 should enable and support resilient digital infrastructure (IoT, 5G) by fostering the cybersecurity readiness of individuals, MSMEs, large businesses, and public institutions; and by promoting investment in human capital in the field of cybersecurity.
15. The G20 should support the healthy development and adoption of wherever possible by creating a favourable and trust-inducing regulatory environment; educating businesses, government, and society on the technology; and advancing AI benefits for all.
16. The G20 should drive digital inclusion and grow digital skills by overcoming the digital skills divide, supporting and advancing innovative methods for digital education, and providing more digital job opportunities to women.
17. The G20 should foster the growth of e-commerce by striving to conclude a comprehensive, balanced, and high-standard WTO agreement that is also attentive to the needs of MSMEs, start-ups, and developing economies.
18. The G20 should enhance the global standards of anti-corruption by:
 - i. pursuing a culture of high integrity in the public and private sectors;
 - ii. leveraging emerging technologies to manage risks relating to corruption and fraud;
 - iii. enhancing integrity and transparency in public procurement
19. The G20 should promote the acceleration of technological adoption, including the role of data, in enhancing the environment for financial services innovation, while implementing regulations that increase trust and transparency in the financial sector.
20. The G20 should lay the foundations for smart cities to thrive, by supporting the building blocks for and fostering greater social acceptance of smart cities globally.
21. The G20 should encourage an increase in private financing of sustainable infrastructure by creating more investment-ready projects, mitigating the risk of sustainable projects' higher costs, and fostering a collaborative environment for sustainable risk assessments.
22. The G20 should strengthen the cooperative efforts between G20 Members to reduce market fragmentation and promote a level playing field, while ensuring a synchronized implementation of prudential reforms, and minimizing unintended consequences, to build a more resilient and effective financial system that supports the economy.

REALIZING OPPORTUNITIES OF THE 21ST CENTURY FOR ALL

Recommendations

1



Empowering People

REALIZING OPPORTUNITIES OF THE 21ST CENTURY FOR ALL

Empowering People

Rapid global economic growth over the past decades, has had both successes and failures. Abject poverty has reduced, school enrolments have increased, life expectancy has improved, and more marginalised people are mainstreamed. Despite this progress, there are still pressing challenges.

Inequality has proven hard to narrow, increasing risks for social cohesion. The persistence in high income inequality in a number of G20 economies across generations is symptomatic of inequality in access to opportunities, including education, healthcare, and finance, which restricts labour market prospects¹. Exclusion from economic prosperity is also reflected in adverse labour market outcomes, particularly for youth and women in emerging market economies.

Per-capita growth has moderated in the G20 economies during recent decades, driven, in particular, by declining labour productivity growth and the labour-supply effects of aging. Elevated and rising financial vulnerabilities pose risks to the sustainability of growth.

These fault-lines in the global economy are accentuated by the ongoing health and economic crisis as a result of the COVID-19 pandemic. Limitations of the market-driven and globally-integrated economy should be addressed rather than replacing it with protectionist barriers. Policies should consciously build resilience of communities and empower them to leverage available opportunities and create more for others.



Unleashing Access to Opportunities

There is a strong correlation between female employment ratios and GDP growth, with improved business outcomes (including productivity, profitability and innovation) where there is representation of women in the workplace. Many G20 economies are still struggling with the goal to reduce the gender gap in labour force participation by 25 percent by 2025 (committed at the 2014 Brisbane G20 Summit). The ILO estimates that achieving this target could boost global employment by 5.3 percent, with a corresponding increase in global GDP by 3.9 percent or \$5.8 trillion.

The G20 efforts to remove barriers for women and create an equal environment need to be accelerated. Specially, the G20 Members should evaluate and amend national policies on equality to ensure they protect the rights of women and equal opportunities for them. The G20 should explore various policy options to improve female labour market participation; address the barriers that prevent informal

workers transitioning to the formal economy and the factors that informalise previously secure jobs; make available and improve flexible working forms; and discourage overt and unconscious gender bias at workplaces.

The G20 Members should implement policies that require employers to set goals and transparent disclosures regarding promotion of women to leadership positions, and related matters of gender pay gap. Governments could stipulate a certain number/ percentage of women in leadership positions in listed corporations, including at least 30 percent of board members to be women as a first milestone, and encourage other businesses to adopt, and report on, their goals and gender initiatives in Annual Reports using nationally-developed indicators that could be integrated into an international framework for benchmarking purposes. Introducing Equal Pay legislation must be a priority for the G20 Members, where this does not exist already,

¹As measured by the Gini coefficient, it has declined only slightly from pre-crisis levels in some economies (e.g., Canada, United Kingdom) and is particularly notable in many emerging economies (e.g., Brazil, China, India, Indonesia, South Africa) and the United States. Source: IMF (2019), G-20 Report On Strong, Sustainable, Balanced, And Inclusive Growth

†All amounts expressed in U.S. dollars unless otherwise noted.

to ensure a fundamental principle of gender equality of equal pay for equal work.

IMF estimates that globally women face on an average 11 percent risk of losing their jobs to automation, compared to nine percent for men, putting 26 million women's jobs in 30 countries at high risk of technology displacement in the next 20 years. The UN found that the global

average percentage of female researchers in 2018 was 28.8 percent and only 35 percent of all students enrolled in STEM-related fields of study are women. The G20 members must prepare and implement a comprehensive Women in STEM roadmap with the strategic objective of increasing the pipeline of women in high-skilled jobs.

► Recommendation

The G20 Members should unlock the advancement and full leadership potential of women by driving reforms, fostering an inclusive environment, ensuring fair and equal pay and encouraging new ways of flexible working.

Supporting Employment Transition in a Changing World of Work

The impact of COVID-19 pandemic on economies and on employment will last for years. The B20 urges the G20 to shape a coordinated global response that urgently revives employment growth and prospects. The G20 Members should build on the commitment made by the G20 Labor and Employment Ministers on 23 April 2020, to *'take a human-centered approach to promote employment, bolster social protection, stabilize labour relations, and promote the Fundamental Principles and Rights at Work amid the pandemic prevention and control measures.'*

The G20 should continue to work with social partners and international organizations to monitor the implementation of announcements, the rate of revival and need for further stimulus. Each G20 Member should coordinate national and regional frameworks and operational mechanisms to facilitate the efficient mobility of workers and flow of skills

to where they are most needed - to stimulate a swift recovery, including trans-border flows of human capital.

The G20 Members should strengthen inclusiveness, dynamism and diversity of formal labour markets, including the promotion of a stable and inclusive technological transformation in the labour market to improve overall effectiveness of Active Labour Market Policies.

The G20 should accelerate implementation of ILO Recommendation 204 on transition to the formal economy, which was reinforced in the ILO Centenary Declaration. The G20 Members should review, reduce and simplify tax, bureaucratic and other structures to encourage formal sector participation, including the digitization of relevant public services (example, licensing and permitting).

► Recommendation

The G20 should implement reforms to ensure a safe employment recovery within a more resilient labour market.

Women's Empowerment

The G20 must include a diverse cross-section of women at all stages of policy decision-making and implementation. The G20, in partnership with the UN and other relevant MLIs, should create a user-centric policy design and learning centre, to build capacities of national governments and their agencies, as

well as study and share good practices across governments. This could increase the chances of the policy's effectiveness, enhance its adoption and commitment to make the ambitions and objectives of new policies, or the adjustment of existing policies, a reality through clearly identified and collaborative implementation.

The G20 should request the World Bank, UNCTAD, and UN Women to establish a Working Group by 2021 to analyse why women are under-represented in international trade and develop a catalogue of measures to make trade more

inclusive. This Working Group should establish a formal consultation process with female business leaders and adequate business-led groups addressing women in business.

► Recommendation

The G20 should apply a user-centric approach to policymaking and create synergies between stakeholders.

Scaling up Efforts for Sustainable Development

The B20 policy recommendations have also been developed with regard to the advancement of specific targets for the UN SDGs. The 25 policy recommendations contribute to the advancement of 16 SDGs².

Trade and investment plays a pivotal role in achieving the SDGs by 2030. Meeting the SDGs could bring market opportunities worth \$12 trillion and create 380 million new jobs³.

The G20 should encourage the WTO, the UN Division for Sustainable Development Goals, UN Women, and the World Bank to align more closely to promote the contribution of trade and investment towards achieving the SDGs without creating new barriers to trade. The G20 should initiate a multilateral dialogue on 'Sustainable Industrial Development' to discuss ways to align countries' economic and industrial policies with the SDGs by 2021.

Sustainable finance has experienced a strong growth in recent years, rising 16 percent per annum from 2016 to over \$30 trillion in 2018. This acceleration has been driven by increased social, governmental, and consumer attention on the broader impact of corporations, as well as by the investors and executives who realize that strong ESG considerations can help safeguard a company's long-term success.

Financial aid is also increasingly focused on sustainable development. For example, the World Bank successfully issued two sustainable bonds to support COVID-19 relief efforts, and both were oversubscribed.

Despite the momentum, investors still face barriers to include ESG considerations in

investment decisions. Two challenges must be addressed: lack of a harmonized taxonomy on sustainable finance, and, inconsistent sustainable financial disclosure frameworks.

The G20 should encourage the global standard setting bodies in collaboration with the Financial Stability Board (FSB) for the financial sector, to design a roadmap for international coordination of taxonomies on sustainable finance – touching on all aspects of ESG – and promote their long-term implementation, to help investors effectively allocate financial resources towards sustainable assets and achieve SDGs.

Existing disclosure frameworks set voluntary guidelines that could be used to provide non-financial information to investors, lenders, insurers, and other stakeholders about ESG risk and performance. The FSB stresses that these frameworks can "*provide a source of data that can be analysed at a systemic level, to facilitate authorities' assessments of the materiality of any risks posed by climate change to the financial sector, and the channels through which this is most likely to be transmitted*".

The G20 should mandate the FSB, in coalition with international accounting standard boards, relevant standard setting bodies and initiatives involved in the Corporate Reporting Dialogue, to promote alignment on disclosures across ESG factors, to enhance reporting by publicly traded corporations, including setting a path to encourage widespread ESG disclosures, and designing a mechanism to assure reported information.

² B20 Saudi Arabia (2020), Advancing the Global Goals on Sustainable Development, Riyadh. The report can be accessed from www.b20saudiArabia.org.sa

³ Business and Sustainable Development Commission (2017), Better Business Better World, London

► Recommendations

The G20 should encourage and promote coherence between the multilateral trade and investment system and other relevant international organizations, especially with regard to achieving the SDGs, responding to climate change, and ensuring a smooth transition to sustainable and diversified economic development.

The G20 should facilitate sustainable financing by developing a roadmap for international coordination on sustainable finance taxonomies and alignment on a sustainable disclosure framework, across all ESG considerations.

Fostering Education for the 21st Century

According to the OECD, poorer, less educated and less digitally-literate adults face significant informational and motivational barriers. The ILO Global Commission on the Future of Work recognizes that for *'learning to become truly lifelong, skills must be portable'*. Technologies like Blockchain could facilitate portability but, would require establishing a common skills recognition framework at national and international levels.

The G20 should strengthen public-private collaboration and upgrade education systems to align with future labour market needs by recalibrating teaching metrics and incentives towards future-relevant skills. The G20 should embrace new learning models and technologies to improve teaching techniques and environments, build lifelong learning systems that are adapted to adult needs, and identify and empower workers vulnerable to technology displacement.

► Recommendation

The G20 Members should boost employability at scale through transformed education and lifelong learning.

Boosting Financial Inclusion of Women and Youth

Female entrepreneurs make significant and valuable contributions to economic growth and reduction in poverty rates around the world. Female entrepreneurship is also rising in developing economies, where there are around 8-10 million formal SMEs with at least one female owner. However, there continue to be substantial persistent hurdles that limit women's equality of opportunity and their ability to grow their businesses, from a lack of capital, skills and time, to prohibitive legislation, societal pressures and expectations. Discrepancies between conditions for male entrepreneurs versus female

are observed in areas such as financing: 115 out of 187 economies studied in the World Bank's Women, Business and the Law 2020 report do not prohibit discrimination in access to credit based on sex or gender.

The G20 should eliminate barriers to access to expertise and finance for women-owned/led MSMEs as well as informal entrepreneurs and women-founded start-ups through affordable legal support, increased financial literacy and a range of financial instruments.

► Recommendation

The G20 should promote female business ownership and create an enabling environment for female-founded start-ups and businesses.

Trade and Investment Cooperation

The COVID-19 pandemic is likely to redraw the world trade map, as it destabilises economies, intensifies geopolitical frictions, and exposes the risks of current global manufacturing and supply networks. The pandemic hit when globalisation, measured as the share of foreign value added, was already slowing down. At the same time, technological change, shifting employment and wage patterns, the emergence of sophisticated global value chains and environmental concerns are unsettling the ecosystem in which business operates.

Open and inclusive trade and investment play an integral part both in the supply of critical goods and in forging a path towards post-COVID-19 recovery and rebound. The G20 Members combined represent \$15 trillion - more than 75 percent of global exports. The G20 should adopt trade and investment rules that address the challenges they face together, whilst also seizing the opportunities presented by the rising demand for e-commerce and trade in services, with a view to supporting developing economies and MSMEs.

A rules-based multilateral trading system facilitates international trade and investment, and creates an open and transparent environment for all participants. The business community strongly supports a robust multilateral trading system anchored in the WTO. But, the system faces a crisis that has been exacerbated by the COVID-19 outbreak.

The B20 welcomes the G20 "*Riyadh Initiative on the Future of the World Trade Organization (WTO)*", that aims to identify common ground and principles among all G20 Members regarding the next 25 plus years of the WTO, and to provide the political support needed to make progress in the discussions on WTO reforms among all WTO members.

To improve the effectiveness and legitimacy of the WTO, the G20 should establish a high-level Working Group involving the business community to provide guidance on WTO reform, in line with the Riyadh Initiative, on decision-making, monitoring and negotiation effectiveness, and a reform proposal for the WTO's Appellate Body. The G20 should express their support for, and lead the effort to advance, a system of rules dedicated to open and fair competition, while recognizing the need to consider each country's capabilities and level of development.

The G20 should actively promote the WTO Joint Ministerial Statement on Investment Facilitation for Development and aim to conclude the negotiation process at the next Ministerial Conference.

Services generate more than two-thirds of global GDP, yet its full potential remains untapped. The global value of trade in services remains approximately three times lower than trade in goods as a share of GDP. Trade in services as share of GDP is significantly lower than the value added of services as a share of GDP. To some degree, this may be related to the intangible nature of services. In addition, many professional services are highly regulated at national level, or are restricted and to a large extent supplied by the public sector.

The G20 should support the ongoing WTO negotiations on services domestic regulation, call for their conclusion by the next Ministerial Conference, and work together across institutions to promote the cross-border provision of healthcare services.

The G20 should commission the Committee on the Global Financial System to update its 2014 study of the impact of bank regulations on trade finance. In addition, the G20 Members should request that the Basel Committee undertake a targeted assessment of Basel III in order to clarify, through the Q&A process, interpretations of the proposed regulations relevant to trade-related bank and insurance exposures.

The G20 should encourage the WTO, in close cooperation with the World Bank, to support economic diversification in developing economies and LDCs when negotiating new trade and investment agreements, and to engage especially local MSMEs in sharing best practices on trade, investment and economic diversification.

The COVID-19 outbreak resulted in a sudden decline for the tourism industry, causing economies that are largely dependent on tourism to be severely disrupted. The OECD estimates global revenue for the travel and tourism industry (cruises, hotels, package holidays, and vacation rentals) at \$447.4 billion in 2020 – a decrease of around 34.7 percent from the previous year. According to the latest estimate of the UN World Tourism Organisation, COVID-19 puts 100-120 million jobs in the tourism industries at risk globally. MSMEs have

been particularly badly impacted, especially in developing countries that rely heavily on tourism as a source of income.

Building on the 2019 G20 Leaders' commitment to boost tourism, the G20 should strengthen trade and investment in the tourism and travel-related sectors with a special focus on enabling MSMEs in a new post-crisis era by fostering innovation and digital technologies that develop sustainable practices and seamless travel.

The G20 should promote tourism and travel-related sectors by committing to openness to

all four modes under GATS and by developing policies encouraging sustainable tourism and creating tourism clusters for agglomeration advantages. The G20 should request that the WTO and the World Tourism Organization work more closely together to investigate and map pain points in the tourism and travel sectors, including accessibility of air travel, access to finance, business environment, visa regimes for foreign tourists, compliance with international service norms and safety standards of air travel, and to suggest measures to make the sector more resilient.

► Recommendations

The G20 should strengthen the multilateral trade and investment system, while pledging to a standstill and rollback of protectionism, supporting open markets, and advancing the rulebook to ensure a global level playing field.

The G20 should promote trade in services and facilitate trade finance and insurance solutions by supporting ongoing services negotiations within the WTO, facilitating access to trade finance and insurance, and supporting service exports in travel-related sectors.

The COVID-19 crisis has disproportionately affected SMEs and highlighted their vulnerability to supply and demand shocks. The survival and success of SMEs will be crucial as nations seek to jumpstart economic growth in the post-COVID world. In OECD countries, SMEs account for 99 percent of all firms and contribute up to 60 percent of value-add to the economy. In emerging economies, SMEs contribute up to 45 percent of total employment and 33 percent of GDP⁴.

The B20 welcomes the G20 Labor and Employment Ministers' commitment to *'continue to explore ways to support businesses and employers, especially MSMEs, to be able to maintain employment and support affected workers through this challenging period.'*

The G20 should develop and implement ambitious support strategies for entrepreneurs by simplifying the regulatory environment, and enhancing access to digital infrastructure, connectivity and digital skills training for SMEs and entrepreneurs, through implementation of the G20 SMART Innovation Initiative.

The G20 should facilitate access to international markets including integration into global supply chains, and ease access to finance. The G20 should also promote education and training for entrepreneurship starting from formal education systems and through professional development.

► Recommendation

The G20 should proactively enable SMEs and entrepreneurs.

⁴ OECD (2018). OECD SME Ministerial Conference, <https://www.oecd.org/about/secretary-general/oecd-sme-ministerial-conference-mexico-2018.htm>

REALIZING OPPORTUNITIES OF THE 21ST CENTURY FOR ALL

Recommendations

2



Safeguarding the Planet

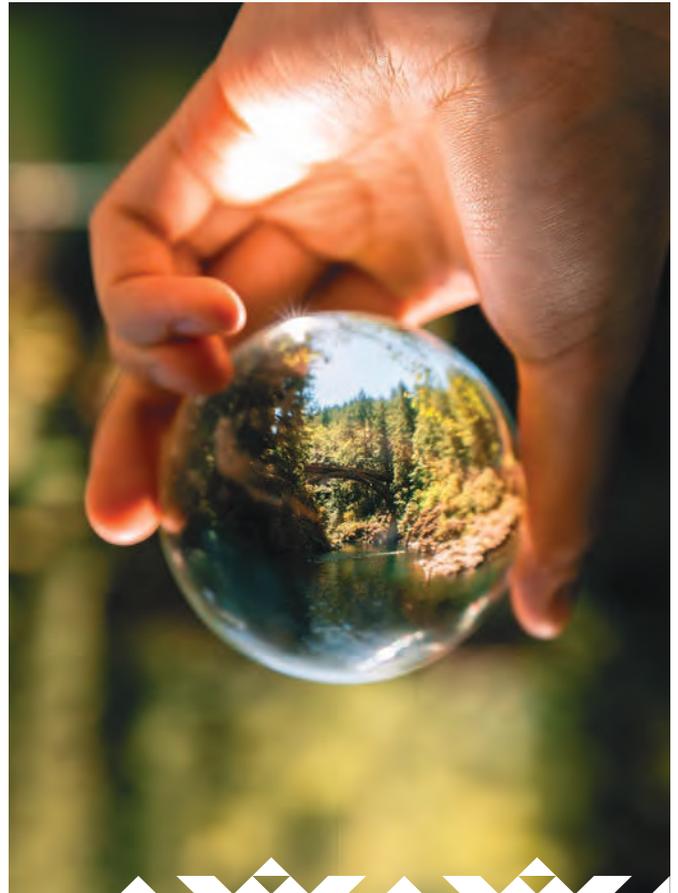
REALIZING OPPORTUNITIES OF THE 21ST CENTURY FOR ALL

Safeguarding the Planet

Our planet is under greater pressure than at any point in human history. More compelling scientific evidence confirms three points: one, ecological damage can be directly attributed to human activities; two, human desires would have to be soon satisfied with nature-based solutions and strictly within the limits of planetary boundaries; three, the pace of corrective actions must be accelerated and must be informed by science.

Saving our planet is indeed a formidable challenge; solutions often have trade-offs and co-benefits with other economic and social development priorities. The COVID-19 pandemic is yet another occurrence of health risk as a ramification of human exploitation of biological diversity. A health contagion manifesting into an economic contagion emphasises the need for an integrated approach and collective efforts.

Safeguarding the planet is necessary to make build resilient communities and fortify economic value. Bold, decisive and accelerated actions are necessary from government and business in areas of substantially reducing carbon emissions, improving circularity of materials, cleaning up the pollution in the air, land and water, and preserving the oceans



Cleaner Energy Systems for a New Era

To achieve carbon neutrality, new and efficient technology, circular approaches to production processes and energy usage, and innovation are key. Just about all leading emitters could eliminate 75-90 percent of the gap between emissions under current policies and their individual targets towards 2 *degrees Celsius* Paris Agreement goal for 2050, using proven and generally accepted technologies. Circular economy models provide further large-scale financial upsides. In 2016, circular activities such as repair, reuse or recycling generated almost \$2 billion in value added and attracted around \$20 billion worth of investments. Such economic opportunities could also create new employment opportunities and reduce energy consumption as well as GHG emissions.

The G20 Members should accelerate the deployment of existing low-emissions, emissions-neutral technology and scale nature-based solutions. Additionally, the G20 Members should accelerate the deployment of renewables, zero- and low-emissions, emissions-neutral technology and nature-based solutions by

providing effective legal frameworks, financial incentives and needed infrastructure. Existing technologies such as renewables (wind, solar, hydro as available), storage technologies (example, battery storage), low-emissions fuels, and negative emissions solutions such as nature-based solutions should be leveraged and deployed immediately in line with national abilities. Scaling these solutions must be a national priority for all countries and should be aligned with mainstream policies (example, land management).

The G20 Members should advance the development and scalability of emissions-neutral technology to enable commercial viability and foster further innovation. Accordingly, the G20 Members must develop "*hydrogen strategies*" to further explore the application of hydrogen, and help to lower the costs of carbon capture, utilization and storage (CCUS) technology. Given the level of investment required for R&D in cleaner alternate fuels, collaboration between the G20 Members should be exploited to a greater extent.

To enable trade and investment in green technologies, the G20 should urge the WTO, supported by relevant international organizations, to adopt a common framework addressing trade in green technologies and review existing tariff and non-tariff barriers in these areas, while ensuring any climate-related trade policies are compatible with WTO rules.

The G20 should facilitate a shift towards the circular carbon economy and promote circular

practices to lower emissions and optimize material extraction and production. The G20 Members should stimulate the transition via fiscal and financial incentives to promote the adoption of circularity concepts by business. The G20 should support the development of common methodologies to measure circularity and related indicators that governments and businesses can use to track progress and impact, and that allow consumers to make informed decisions.

► Recommendation

The G20 Members should commit to achieve carbon neutrality in the second half of the century, preferably by 2050; and accelerate policy implementation towards this aim in line with the Paris Agreement goal of “holding the increase in the global average temperature to well below 2 degrees Celsius above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change”.

Managing Emissions for Sustainable Development

Reducing carbon emissions and sustained economic growth can only be accomplished if many policy levers are activated jointly. Policies must be predictable, leverage effective tools that support the goal of carbon neutrality in line with sector preparedness, while ensuring sustainable growth and a just transition. New technologies and approaches, including circular carbon economy, must be pursued as solutions to managing emissions.

The G20 Members should introduce implicit or explicit carbon pricing mechanisms that could vary in the degree of coverage (i.e., share of carbon priced) and effectiveness, according to its institutional design and national circumstances. Carbon pricing schemes and valuation mechanisms help lower emissions, increase GDP, and help unlock additional public revenues which can be used to finance an inclusive and just transition, and enable new business areas.

In addition, the G20 Members should work towards phasing out inefficient fossil fuel subsidies, as agreed to by the G20 Leaders since the 2009 Summit in Pittsburgh, and re-affirmed in St. Petersburg in 2013. A report of the Energy Transitions Working Group, G20 Japan 2019, highlights that only six G20 Members completed agreed on self-reviews. Accordingly, the G20 Members should launch and complete such self-reviews to identify the economic or political challenges to phasing out fossil fuel subsidies and design policy actions.

The G20 Members should also drive the adoption of climate risk disclosure by business to facilitate better risk assessment and efficient allocation of capital thereby supporting climate goals and a more resilient financial sector.

The G20 Members should further define and introduce programmes that support a just transition towards a carbon-neutral economy. The G20 Members should consider implementing predictable regulation and support schemes for SMEs and for sectors with high abatement costs, and supporting worker and communities affected by the transition and undertake employment and skills planning.

Climate change and the resulting extreme weather events, urbanization and concentration of economic assets in high risk areas pose direct physical risks to infrastructure assets and their operation. Beyond, the asset value loss of destroyed infrastructure – estimated at \$232 billion in 2019 – interruptions in infrastructure services have significant negative ripple effects on economic activity.

Building on the previous acknowledgements of the importance of climate-resilient infrastructure, the G20 Members should support the mainstreaming of infrastructure climate risk assessments. The G20 Members should collaborate to develop common measures, tools and share best practices building on relevant ongoing efforts to ensure that all infrastructure

of the future is adapted to the realities of a changing climate. The G20 Members should strengthen access to finance for climate resilient

infrastructure including access to public funding mechanisms and mobilisation of private funding via innovative, effective financing vehicles.

► Recommendations

The G20 Members should develop enabling regulatory and financial policy frameworks that support the transformation of their economies towards carbon neutrality in line with the Paris Agreement goal of “*holding the increase in the global average temperature to well below 2 degrees Celsius above pre-industrial levels and pursuing efforts to limit the temperature increase even further to 1.5 degrees Celsius above pre-industrial levels*”.

The G20 Members should strengthen the climate resilience of infrastructure by developing strategies for new or retrofitting existing infrastructure that can better withstand climate hazards enabled by appropriate risk assessment tools, transparent and tested standards, sustainable master planning and innovative financing vehicles

Fostering Sustainable and Resilient Water Systems Globally, and Preserving the Ocean

Water is the basis of life on our planet and is critical for economic activity. The range of goods and services that flow from the world’s coastal and marine environments can be conservatively valued at \$2.5 trillion each year, making the ocean the world’s seventh largest economy.

Many global water challenges have direct and inter-related effects on the quality and quantity of freshwater. Around 45 billion litres of drinking water is lost globally every day through leakage, and the situation will deteriorate overtime, as effects of global warming will only increase the strain on global water infrastructure. In 2018, businesses worldwide reported \$38.5 billion in financial losses related to water scarcity or pollution. Furthermore, the diversity of freshwater species has declined more than 80 percent since 1970. Water shortages in some regions could threaten local and global food production; without any mitigation efforts, it could cost some regions up to 6 percent of their GDP by 2050.

The G20 Members should promote water quality and responsible usage by leveraging better conservation and water management policies and promoting innovation for a water-smart economy. The G20 Members should ensure

sustainable and clean water access for all by leveraging financing vehicles and targeted investments, such as green water bonds and encourage investments in “*bankable*” water-related projects through a variety of blended financing frameworks.

The ocean as a shared global resource faces great risks that need to be tackled collaboratively. The High Level Panel for a Sustainable Ocean Economy estimates that ocean-based climate actions could mitigate 11.8 GtCO₂e p.a. by 2050 – up to 21 percent of the emission reductions required to achieve carbon neutrality. If current trends persist, there will be one ton of plastic waste in the ocean for every three tons of fish by 2025. Marine litter is already generating costs and lost revenues estimated at almost \$13 billion a year, in sectors like fishing, aquaculture, tourism and government. The G20 should introduce policies at the national and international levels to safeguard the ocean for sustainable economic growth. They should explore options to facilitate collective, streamlined decision-making concerning a shared resource and the needed surveillance. The G20 should also develop and promote guidelines on the sustainable use of marine resources.

► Recommendation

The G20 Members should define policies and guidelines that promote the sustainable use of freshwater systems and the ocean, thereby reducing the negative effects of human activities on water systems.

REALIZING OPPORTUNITIES OF THE 21ST CENTURY FOR ALL

Recommendations

3



Shaping New Frontiers

Realizing Opportunities of the 21st Century for All

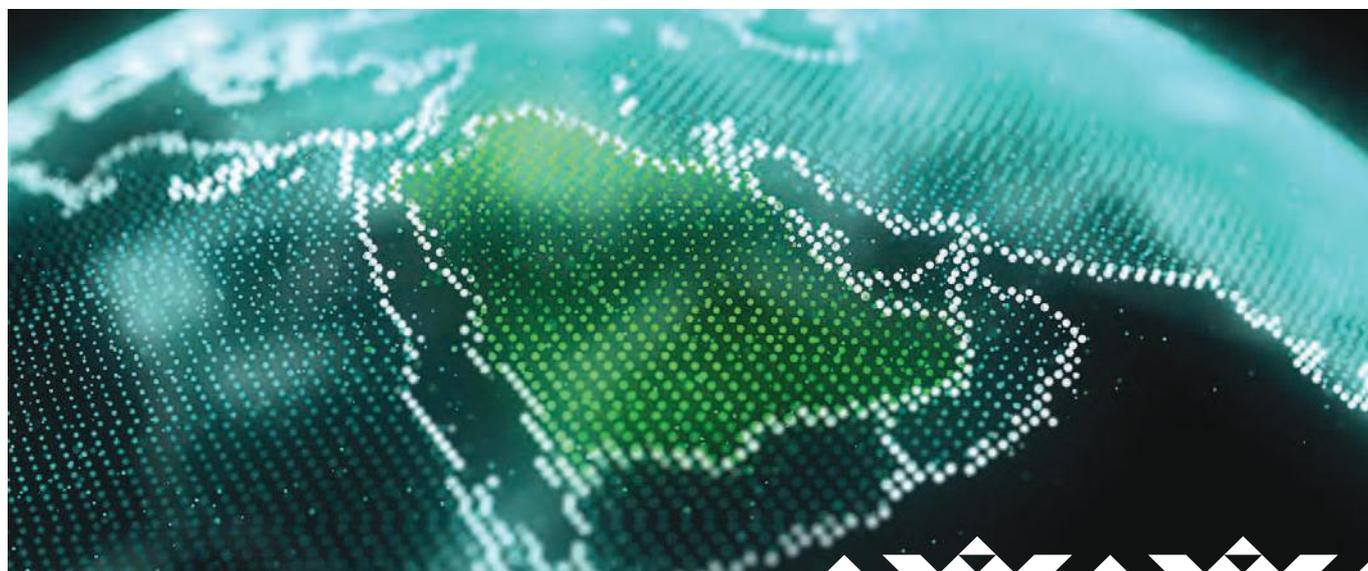
Shaping New Frontiers

Technological advances that benefit development are desirable. Advanced manufacturing, digitalisation, and material science hold significant promise for productivity, environmental gains, and economic growth. Benefits are realised when technological adoption is even within countries and regions. However, it is also the process of adaptation and change that shifting frontiers force on communities and institutions.

The economic and social transformation triggered in the recent decades, especially with

digitalisation, has outpaced changes to national economic policies and the social contract, rendering them insufficient to govern new realities.

As much as integrity and governance of technological advances are imminent, technology should be leveraged to make progress on anti-corruption, money laundering and terrorist financing. Digital solutions and data analytics have a huge potential to improve transparency in public and private sector conduct.



Enabling the Digital Economy

Digitalization has profound impact on communities, markets and governments. It can improve production, services, and help address a wide range of challenges pertaining to healthcare, agriculture, transport, education, climate change, and public governance. According to the World Economic Forum, over 60 percent of global GDP will be digitized by 2022. Digital technologies can directly influence 103 of the 169 SDG targets. The COVID-19 pandemic has emphasised the need for resilient, accessible and affordable digital infrastructure and services.

The number of cyber threats grows as the number of digital users increase, and this trend has become increasingly significant in light of the COVID-19 pandemic. Cybercrimes such as data breaches, identity theft, and the disruption of operations and critical infrastructure, are estimated to cost the world \$6 trillion annually by 2021.

The G20 Members should enable and support resilient digital infrastructure by setting the regulatory foundations, boosting investment to reduce connectivity gaps, ensuring robust global value chains for technology, and incentivizing affordable digital access via services, networks and devices.

The G20 should develop robust, resilient and joint cyber strategies against cyberattacks for individuals, MSMEs, businesses, and governments by adopting principles that foster an ecosystem of trust, promoting recommended minimum common international cybersecurity standards in collaboration with industry best practices, and providing incentives for businesses demonstrating cybersecurity readiness.

The G20 Members should promote investment in cybersecurity human capital and in the

protection of communities from cyber threats by recognizing the importance of national, regional, and global educational platforms, supporting information and communication campaigns and best-of-breed training curriculum for cybersecurity professionals.

Despite its significant potential, the advancement of AI poses several direct challenges including: (i) *Ethical violations*; example, privacy or discrimination, (ii) *Accidents and the loss of human life*; example, false medical prediction or tampered military systems, (iii) *False business decisions*; example, false price prediction, and (iv) *Political, financial, and infrastructure manipulation*; example, traffic manipulation causing accidents. AI also harbours indirect risks, such as the lack of public trust, overregulation and hampering of innovation, and the unequal access to technology.

The G20 Members are at different levels of readiness, affected by key factors that include the existence of a national AI strategy and data protection regulations; data availability and infrastructure; technological skills; and scope and quality of (digital) public services.

The G20 should create a favourable and trust-inducing regulatory environment for the usage of AI and data by harmonizing national action plans, facilitating cross-border data flow while respecting and promoting applicable legal frameworks on data privacy and security, and supporting regulatory sandboxes for AI applications.

One particular risk with cross-border flows is the risk of arbitrage between countries due to the lack of a level playing field in some jurisdictions. Thus, the G20 Members should create national action plans to monitor the advance of AI in a responsible manner. The G20 Members and businesses should build on the work of the OECD AI Policy Observatory to advance the multidisciplinary, evidence-based, and multi-stakeholder dialogue around analysis of public policy on AI.

The G20 Members should advance AI benefits for all by supporting public information campaigns, promoting AI use cases in the public sector, encouraging educational courses and programmes on AI, and fostering international initiatives for inclusive artificial intelligence.

Since 2015, each year the G20 Leaders have made new commitments to bridge the digital divide. In 2020 too, the G20 Leaders should continue their efforts to overcome the digital divide to ensure that individuals of all countries, regions, genders, socio-economic status, ages, and vulnerable groups are enabled to utilize digital services.

The G20 Members should overcome the digital skills divide by supporting high quality educational programmes for all, fostering access to the most affordable technology for all, promoting partnerships to create safe digital environments, and accelerating the digitization of government services including licensing, permitting, tax collection, and procurement.

The G20 Members should introduce and advance innovative methods for digital education by reforming education systems to offer future work skills, encourage credentials and dual accreditations tailored to jobs, and develop national digital education strategies to bridge the gap between job market requirements and educational offers.

In particular, the G20 should promote more digital job opportunities for women by increasing awareness of how to reduce barriers, setting up dedicated initiatives with the private sectors, and establishing empowerment programmes to foster women's leadership, knowledge, and skills in the digital sector.

E-commerce offers unprecedented opportunities, especially for MSMEs, start-ups, and businesses in developing economies to access global markets. Businesses stand to benefit the most from e-commerce if there is a level playing field, adequate access to information, interoperability of digital standards, and a fast and efficient clearance process. The various changes in consumer behaviour, and supply and demand trends, induced due to the COVID-19 pandemic, present opportunities for countries to improve the policy environment. These changes will also aid in the post-COVID recovery of the global economy.

Business face obstacles in fully harnessing the potential of e-commerce. First, access to basic digital infrastructure remains unevenly distributed. Second, the proliferation of national regulations makes it increasingly difficult to navigate the complexity of national rules regarding data privacy and security, consumer protection, and varying safety standards when operating and selling on a global scale. Finally, businesses engaged in e-commerce could benefit from enhanced international cooperation in combatting counterfeits and infringement.

The G20 Members should aim to create a policy environment that facilitates business engagement in e-commerce and advance towards a comprehensive, balanced, and high-standard agreement by the next WTO Ministerial Conference.

The G20 should request that the WTO facilitate cooperation and sharing of best practices with UNCTAD on cross-cutting issues for enabling e-commerce in order to foster the inclusion of MSMEs, start-ups, and businesses in emerging economies in e-commerce networks.

The G20 Members should commission UNCTAD, supported by the WTO and other relevant international organizations, to explore the establishment of an annual report on e-commerce with a focus on opportunities for further advancement by 2021.

▶ Recommendations

The G20 Members should enable and support resilient digital infrastructure (IoT, 5G) by fostering the cybersecurity readiness of individuals, MSMEs, large businesses, and public institutions, and by promoting investment in human capital in the field of cybersecurity.

The G20 Members should support the healthy development and adoption of AI wherever possible by creating a favourable and trust-inducing regulatory environment, educating businesses, government, and society on the technology, and advancing AI benefits for all.

The G20 should drive digital inclusion and grow digital skills by overcoming the digital skills divide, supporting and advancing innovative methods for digital education, and providing more digital job opportunities to women.

The G20 should foster the growth of e-commerce by striving to conclude a comprehensive, balanced, and high-standard WTO agreement that is also attentive to the needs of MSMEs, start-ups, and developing economies.

Combatting Corruption

Corruption impacts the community in a multitude of ways on a global and a local level. Politically, it undermines the rule of law and democracy, and erodes people's trust in institutions. Economically, corruption is a major barrier to inclusive growth; it leads to inefficiencies, hinders fair markets, and causes business disruption. Socially, corrupt practices reinforce inequalities and divisions, including with respect to gender.

The COVID-19 pandemic has served to heighten focus on integrity and compliance in the healthcare sector and beyond. It is now more important than ever for the G20 Members to continue to strengthen and enforce anti-corruption measures. Fortunately, the pandemic has led to an increased focus on responsible business conduct and international cooperation. The G20's anti-corruption response to the crisis should build on this sentiment.

Delivering a culture of high integrity across the G20 necessitates that government and business align their efforts to create a greater force against requests for illicit payments and produce support systems that will generate stronger returns for business and improve the quality of people's lives. This can be enhanced by: (i) encouraging the adoption of ambitious, enforceable national anti-corruption plans which embrace the potential of Collective Action,

(ii) supporting whistle-blower protections, and (iii) empowering women to more fully participate in the fight against corruption.

The G20 Members should engage with the private sector to implement or improve national anti-corruption plans and to adopt new Collective Action initiatives. The G20 Members should leverage the expertise and insights of local and foreign businesses with significant local interests, to refresh and improve their respective national anti-corruption plans, with specific reference to risk assessments and the adoption of leading edge anti-corruption technologies.

Building on the 2019 G20's High-Level Principles for the Effective Protection of Whistle-blowers, the G20 should strengthen laws protecting whistle-blowers and engage with the private sector regarding best practices in whistle-blower programme management. Specifically, the G20 Members should fully clarify the definition of a whistle-blower, agree on what constitutes protected communications and disclosures, and encourage reporting by strengthening laws designed to deter retaliation.

The G20 Members should ensure that anti-corruption plans and whistle-blower protections empower women to respond to corruption.

The G20 Anti-Corruption Action Plan 2019-2021 recognises the need to accelerate the implementation of past commitments and *“take concrete actions to strengthen and promote integrity and transparency in the public and private sector”* by *“sharing experiences and best practices relating to opportunities and risks of new technologies in relation to corruption.”*

The G20 Members should evaluate whether the Global Value Chain (GVC) Passport concept can also support the prevention of corruption in the future by reducing intermediary steps and eliminating duplications which may hinder doing business abroad in other participating countries⁵. The GVC Passport can help in increasing transparency and very importantly “traceability”; henceforth break silos by systematically gathering data and thus supporting public administration, for example for tax purposes, making compliance more consistent, simpler, and less costly.

Underscoring the importance of digital identity in the fight against money laundering and terrorist financing, the Financial Action Task Force (FATF) published its digital identity guidance in March 2020. The G20 should adopt consistent digital identity standards and systems to enhance transparency in beneficial ownership and improve third-party risk management in the private sector. Digital identity standards should be aligned with national and international data protection regulations, and information sharing between public and private digital identity systems should be encouraged.

Beneficial ownership transparency is an important element of the United Nations Convention against Corruption (UNCAC), and its importance was further underscored by the UNODC and World Bank in 2011 and the FATF in 2012. While several countries have recently adopted enabling legislation, a significant majority of the G20 Members do not have such registers.

Establishing a national register and publishing its data as an open data set is a critical step to help deter corrupt practices. A publicly accessible register, built on open data standards,

bolsters the quality of corporate due diligence, while continuing to provide law enforcement with data to support their investigations.

The G20 Members should develop digital public national registers to increase transparency around beneficial ownership information and to improve third-party risk management. The G20 should launch a public-private partnership project to support the development of new technologies to further improve data quality in and data sharing among national registers.

Public procurement remains vulnerable to corruption. The criticality of addressing corruption risks in public procurement has been underlined as an action item as part of the ACWG Action Plan 2019-2021. The G20 should ensure transparency and promote integrity and accountability across the entire public procurement lifecycle. The G20 Members should, guided by Article 9 of UNCAC and the G20 High-Level Principles of Promoting Integrity in Public Procurement, ensure that the public procurement process is open, fair and transparent to help foster accountability, prevent corruption, provide access to information and encourage a more equitable business landscape by allowing SMEs to compete more effectively. The G20 should lead the way in the global application of accrual accounting in the public sector and, in particular, the International Public Sector Accounting Standards.

The G20 Members should establish clear and consistent incentives to reward high standards of ethical business conduct in the context of public procurement. Ethics, integrity and compliance should be covered either as part of procurement pre-qualification criteria or tender evaluation criteria.

In support, the G20 Members should ensure greater integrity amongst public procurement officials by implementing conflict of interest policies and asset declarations in line with UNCAC Article 8 for procurement officials, while bolstering anti-corruption training for these officials and providing transparent and independent channels for them to report instances of corruption.

▶ Recommendations

The G20 should pursue a culture of high integrity in the public and private sectors.

The G20 Members should leverage emerging technologies to manage risks relating to corruption and fraud.

The G20 Members should enhance integrity and transparency in public procurement.

⁴ B20, BIAC (2020) GVC Passport on financial compliance, a pragmatic concept to strengthen Inclusive and Sustainable Growth. <https://www.b20saudiArabia.org.sa/wp-content/uploads/2020/09/Final-B20-Business-at-OECD-on-GVC-Passport-28082020.pdf>

Addressing the Entry of BigTech in Finance

The development of financial technologies has introduced to economies a range of new ways to conduct business. These innovations cut across customer segments, financial value streams, and other services beyond banking. Technological innovation can bring numerous benefits for both existing financial service users and unserved and underserved users.

As financial innovations gather momentum, two potential obstacles merit the attention of the G20. Jurisdictions around the world operate with different regulation and standards related to data flows, which are governed by data localization and privacy laws. Differences in reporting standards between jurisdictions affect data's granularity level, reducing comparability and aggregability of data sets. Digital bank licensing practise also remains fragmented as no standards have been set across jurisdictions.

Currently, no standards have been adopted globally to improve the oversight of digital financial activities, leaving a high potential for misuse in areas including distributed ledger technologies, digital currencies and stablecoins. The FATF recognizes the cross-border nature of digital financial activities, which led it to issue "Guidance for a Risk-Based Approach to Virtual Assets". While the FATF's Mutual Evaluation Report will take into account virtual assets standards, its recommendations are suggestive and are not backed by an enforcing mechanism.

The 2019 G20 Leaders' Declaration

acknowledged that continuing to address challenges related to privacy, data protection, intellectual property rights, and security could increase productivity by fostering cross-border data, information, ideas and knowledge flows. It also emphasized the importance of encouraging the interoperability of different domestic and international legal frameworks.

The G20 should call on policy makers to foster an environment that boosts innovation in financial services by implementing frameworks and sharing best-practices around data management and the development of technologies in collaborative regulated environments, which could support creating new ways to provide financial services and promote their continuity in times of distress.

The G20 should create an ad-hoc Taskforce to design principles around globally pressing data issues. It should request the FSB to collaborate with international financial regulators to tackle data issues that prevent the financial sector from tapping the full potential of data-driven technologies.

Additionally, the G20 should request the FSB to promote the creation of standards that enhance trust and transparency in the financial technology sector in order to level the playing field, through cross-border systems that leverage regulation and technology to secure and legitimise financial transactions undertaken by both traditional and non-traditional players.

Recommendation

The G20 should promote the acceleration of technological adoption, including the role of data, in enhancing the environment for financial services innovation, while implementing regulations that increase trust and transparency in the financial sector.

Developing Smart Cities

Smart cities have the potential to make the society more socially, economically, and ecologically sustainable and to improve the quality of life for its citizens. Smart cities leverage digitization: new behaviours, services, and ways of working that rapidly change society are driven by the new technology and enhance the quality of old and new solutions in a citizen-centric way. However, the advancement of smart cities could be hindered due to governance challenges, legal restrictions, technological and infrastructure barriers, social deterrents, and economic aspects.

The G20 Leaders first made a commitment to "encourage networking and experience-sharing among cities for the development of smart cities" as well as to develop the potential of smart cities towards climate action in 2019.

To support the key building blocks of smart cities, the G20 Members should support the definition and communication of what smart cities represent, work towards standard technical requirements, and facilitate cross-border data flow while respecting and promoting applicable

legal frameworks on data privacy and security.

The G20 Members should work towards increasing the social acceptance of smart cities by supporting public communication campaigns, structured participatory processes, and bottom-up initiatives, promoting the use of data to meet the population's need for smart solutions, and fostering the application of smart city technology in all relevant fields.

The G20 Members should support municipalities in rolling out smart city elements by encouraging cooperation on a smaller scale, supporting a national and global information and engagement platform for municipalities, and engaging in private and public partnerships to facilitate the development of smart cities.

► Recommendation

The G20 should lay the foundations for smart cities to thrive by supporting the building blocks for and fostering greater social acceptance of smart cities globally.

Finding a Global Solution to Tax Challenges Arising from the Digitalization of Economy

The G20 should commit to strengthening the prerequisites for building a digital economy and foster e-commerce through the establishment of a multilateral approach to tax challenges arising from the digitalisation of the economy.

The G20 should commit to a multilateral approach to tax challenges arising from the

digitalisation of the economy and actively support the work of the OECD/G20 Inclusive Framework on BEPS, which has set out proposals for new rules governing these challenges. In this framework, over 135 countries are implementing 15 actions to tackle tax avoidance, improve the coherence of international tax rules, and ensure a more transparent tax environment.

Financing Sustainable Infrastructure

Sustainable infrastructure, across traditional and non-traditional sectors, supports economic development by creating jobs and new ways to carry out economic activities. In addition, it can enhance citizens' quality of life by reducing carbon emissions and mitigating pollution, protect the earth's resources by reducing the use of materials, and promote diversity, gender equity, and workers' safety, by abiding to human and labour rights.

Even as private financing increases, it is important that governments retain spending, since public sector investments contribute to 83 percent of infrastructure project financing. This is needed especially during times of crises, such as the one caused by the COVID-19.

Three challenges must be addressed for the private sector and financial institutions to increase sustainable infrastructure investment: (i) lack of investment-ready projects in pipelines; (ii) higher investment costs; (iii) fragmented assessment of sustainability risks on credit ratings.

The G20 should encourage development institutions, potentially with the support of the Global Infrastructure Hub (GIH), to increase private-sector investment by improving sustainable infrastructure project pipelines through increased focus on project preparation phases – including concept development and full lifecycle approaches – and clarifying the criteria to classify sustainable projects.

The G20 should encourage governments to factor sustainable infrastructure costs into the procurement approach and incentivize the development of more cost-efficient and sustainable solutions at scale. Multilateral development banks (MDBs) should mitigate the risk of sustainable projects' higher upfront costs by assessing the total cost of ownership and increasing the share of available guarantees for sustainable finance, to boost blended financing.

The G20 should encourage policy makers to foster an environment that enables the private sector to develop a more coordinated approach

to sustainability assessments of financial instruments, starting with data collection and analysis of sustainability risk factors, in order

to develop common metrics, weighted across ESG considerations.

► Recommendation

The G20 should encourage an increase in private financing of sustainable infrastructure by creating more investment-ready projects, mitigating the risk of sustainable projects' higher costs, and fostering a collaborative environment for sustainable risk assessments.

Synchronizing Global Prudential Reforms and Standards

Increasing the financial sector's contribution to economic growth and mitigating systemic risks by reducing market fragmentation requires ensuring a synchronized implementation of prudential reforms and minimizing the unintended consequences of reform implementation.

The biggest test to the increased resilience of the financial system since the 2008 financial crisis is the COVID-19 pandemic. This has resulted in both supply and demand shocks that affect operations across healthcare, travel and tourism, financial services, and other sectors. As a robust financial system is required to achieve sustainable economic growth, particularly in a crisis environment, three areas require the G20's attention: (i) structural market fragmentation, (ii) uneven playing field and unintended consequences, and (iii) fragmented global responses.

The G20 should require the FSB, in coordination with the Basel Committee on Banking Supervision (BCBS) and other relevant international standard setting bodies and

financial sector regulators, to take stock of jurisdiction-specific prudential requirements to identify and monitor market fragmentation, while developing internationally-coordinated action plans to mitigate challenges posed by fragmentation.

The G20 should request the BCBS, in collaboration with international standard setting bodies, to ensure consistent roll-out of internationally agreed reforms, as minimum requirements. While the FSB should enhance its framework for post-implementation evaluation of reforms and work along with the private sector to continuously identify and measure unintended consequences of their implementation – ex-ante and ex-post – and advocate for international standard-setting bodies to review adverse outcomes of reforms, when warranted.

The G20 should form a globally coordinated response team that can enhance supervision and facilitate international dialogue and the synchronization of responses to global shocks.

► Recommendation

The G20 should strengthen the cooperative efforts between G20 Members to reduce market fragmentation and promote a level playing field, while ensuring a synchronized implementation of prudential reforms, and minimizing unintended consequences, to build a more resilient and effective financial system that supports the economy.



Summary of B20 Recommendations on COVID-19

In July 2020, the B20 issued a Special Report with recommendations to jump-start the global economy in the post-COVID-19 phase.⁶ The purpose of the Special Report was to provide the G20 with timely policy recommendations to address the immediate health and economic crisis, and for a post-COVID-19 recovery phase. While the pandemic is far from its end, these recommendations still remain relevant as the G20 continues to find policy solutions to the urgent challenges.



Build health resilience

- ◀ Accelerate development and availability of COVID-19 vaccine
- ◀ Strengthen future pandemic preparedness
- ◀ Oppose new trade restrictions on medical products and services
- ◀ Address the risk of corruption in public procurement of critical supplies



Safeguard human capital

- ◀ Avoid restrictions on movement of human and intellectual capital
- ◀ Minimise unemployment and increase employability
- ◀ Ensure implementation of OHS requirements suited for minimising risks of infections



Prevent financial instability

- ◀ Identify and minimise unintended negative economic and financial spill-overs
- ◀ Increase globally-coordinated support to vulnerable economies
- ◀ Increase capital allocation to enterprises and infrastructure projects



Unclog global supply chains

- ◀ Immediately restore supply chains
- ◀ Recapitalise global supply chains through cost optimisation and trade finance
- ◀ Reduce corruption risks in supply chains



Revive productive sectors

- ◀ Provide stimulus on principles of cooperation
- ◀ Make stimulus sustainable through “green” investments
- ◀ Ensure energy market stability
- ◀ Revitalise travel and tourism



Digitalise responsibly and inclusively

- ◀ Accelerate digital transformation

⁶ B20 Saudi Arabia (2020), Jump-starting in a Post-COVID-19 Phase: B20 Special Report to the G20, Riyadh. The report can be accessed from www.b20saudiarabia.org.sa

ABBREVIATIONS

ACWG	Anti-corruption Working Group
AI	Artificial Intelligence
BCBS	Basel Committee on Banking Supervision
BEPS	Base Erosion and Profit Sharing
CCUS	Carbon Capture, Utilisation and Storage
ESG	Environmental, Social and Governance
FATF	Financial Action Task Force (on Money Laundering)
FSB	Financial Stability Board
GATS	General Agreement on Trade in Services
GIH	Global Infrastructure Hub
GtCO₂e	Gigatonnes of equivalent carbon dioxide
GVC	Global Value Chain
ILO	International Labour Organization
IoT	Internet of Things
LDCs	Least developed countries
MLIs	Multi-Lateral Institutions
MSMEs	Micro, Small and Medium Enterprises
OHS	Occupational Health and Safety
SDGs	Sustainable Development Goals
STEM	Science, Technology, Engineering, and Mathematics
UNCAC	United Nations Convention Against Corruption
UNCTAD	United Nations Conference on Trade and Development
WTO	World Trade Organization

B20 SAUDI ARABIA

◀ B20

The Business Twenty (B20) is the official G20 dialogue with the business community. As the voice of the private sector to the G20, it represents the global business community across all G20 member states and all economic sectors. Formed in 2010, it is the first engagement group of the G20 and fosters dialogue between the public and private sector. Assembled annually, the B20 independently works to develop and present its policy recommendations to the G20 presidency, in this case to His Royal Highness Prince Mohammed bin Salman bin Abdulaziz Al Saud, Crown Prince, to be considered in overall G20 joint communique

◀ B20 SAUDI ARABIA

On 1 December 2019, Saudi Arabia assumed the G20 Presidency and became the first country in the MENA (Middle East and North Africa) region to host a G20 Summit. **'Transforming for Inclusive Growth'** is the motto and focus of B20 Saudi Arabia. To deliver on its vision, B20 Saudi Arabia engaged the local and global business community through an action council, six taskforces, two cross-cutting themes and a special initiative



'Women in Business' is the central theme for B20 Saudi Arabia. The signature topic is advocated through a dedicated Action Council for Women in Business – a first of its kind initiative committed to gender equality and increasing women's participation in business, especially at leadership positions, globally.

In March 2020, B20 Saudi Arabia established the **COVID-19 initiative** to address the impact of the pandemic on the business world. As part of the initiative, B20 Saudi Arabia submitted a six-point plan to the G20, to combat the global pandemic and lay a foundation to prepare for future resurgences of the disease, including a potential "second wave" of the virus in the coming months. More than 750 business leaders, stakeholders and international policy makers from G20 countries and beyond, representing multinational corporations and micro, small and medium-sized enterprises (MSME), provided input to the report.

⁷ Cross-cutting themes

B20 SAUDI ARABIA LEADERSHIP AND STRUCTURE



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Yousef Al Benyan

ADVOCACY CAUCUS

28 Global Top CEOs



B20 EXECUTIVE ADVISOR
Sultan Bin Battal

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Rayan Fayeze

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Integrity and Compliance



Mathad Al-Ajmi

Trade and Investment



Lubna Al-Olayan

CCTS⁸

SMEs and Entrepreneurship

Sustainable Development Goals

Knowledge, Network & Concept Partners

⁸ Cross-cutting themes

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Co-Chairs

Daniel Malan
Assistant Professor of Business Ethics, University of Dublin (South Africa)

Danielle Cannata
Senior Manager, SABIC (US)

Fernando Landa
Argentina B20 Sherpa / Tenaris (Argentina)

Karen Griffin
Chief Compliance Officer, Master Card (US)

Klaus Moosmayer
Chief Ethics, Risk & Compliance Officer, Novartis (Switzerland)

Xu Niansha
Chairman, China Poly Group (China)

107 Members

TRADE AND INVESTMENT

Chair

Lubna S. Olayan - Chair of Executive Committee, Olayan Financing Company and Chair of Olayan Saudi Holding Company (Saudi Arabia)

Deputy Chairs

Ziyad Al Shiha - Former President and CEO, Saudi Electricity Company (Saudi Arabia)

Co-Chairs

Gabriele Galateri
Group Chairman, Generali (Italy)

Jaime Ayala
Chairman & CEO, Ayala Corporation (Phillipines)

Marcus Wallenberg
Chairman, SEB Group (Sweden)

Ju Weimin
VC and President CIC (China)

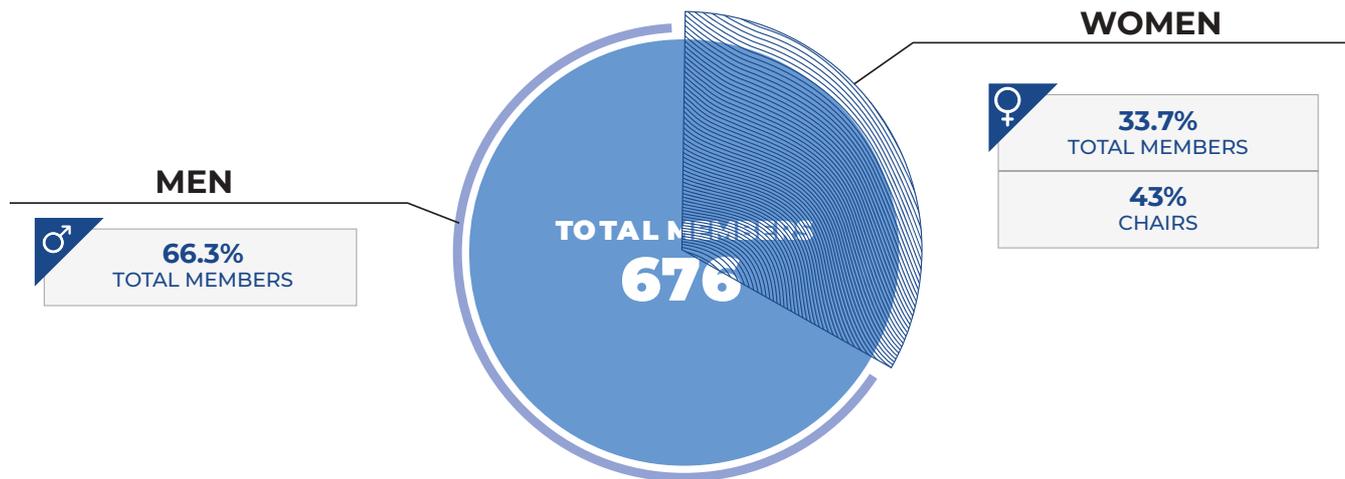
Mark Tucker
Group Chairman, HSBC (UK)

Ratan Tata
Chairman, Tata Trusts (India)

Thomas Donohue
President & CEO, US Chamber of Commerce (US)

131 Members

GENDER REPRESENTATION



GEOGRAPHIC REPRESENTATION

	Argentina	16		Mexico	10
	Australia	10		Russia	34
	Brazil	14		Saudi Arabia	176
	Canada	7		South Africa	7
	China	56		South Korea	5
	France	41		Turkey	11
	Germany	31		United Kingdom	48
	India	13		United States	80
	Indonesia	5		European Union (EU)	45
	Italy	21		Non-G20	35
	Japan	11	Total Members		676

PARTNERS

Knowledge Partners



Network Partners







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