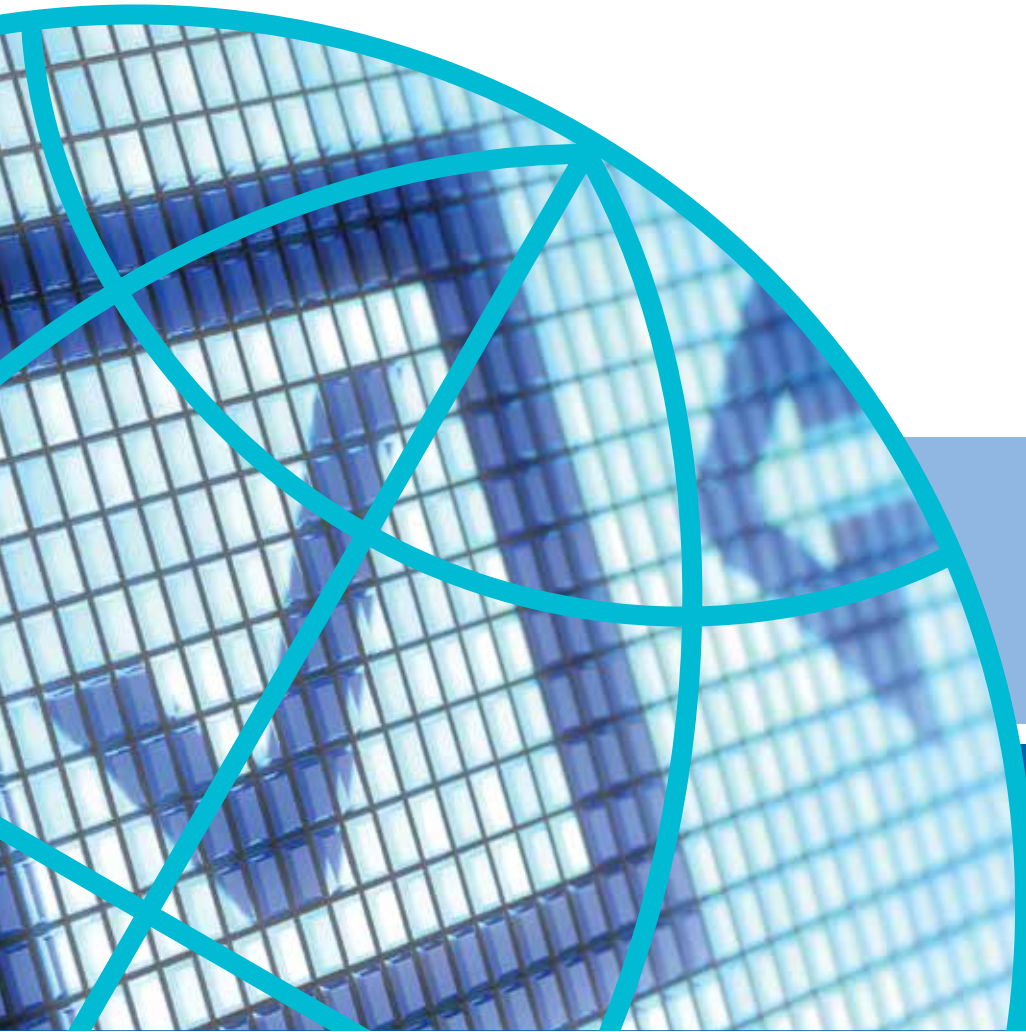


ICC G20 BUSINESS SCORECARD

FIFTH EDITION



EXECUTIVE SUMMARY
JANUARY 2016

ICC G20

CEO ADVISORY GROUP

About the ICC G20 CEO Advisory Group

The ICC G20 CEO Advisory Group, an initiative of the International Chamber of Commerce (ICC), is a platform for global business to provide input to the work of the G20 on an ongoing basis. The Group mobilizes ICC's worldwide policy-making expertise and solicits priorities and recommendations from companies and business organizations of all sizes and in all regions of the world. The Group comprises approximately 40 CEOs working to ensure that the voice of business is heard by governments, the public and the media before, during and after each Summit. To learn more visit www.iccwbo.org/g20



About the International Chamber of Commerce (ICC)

ICC is the world business organization, whose fundamental mission is to promote open trade and investment and help business meet the challenges and opportunities of an increasingly integrated world economy. With interests spanning every sector of private enterprise, ICC's global network comprises over 6 million companies, chambers of commerce and business associations in more than 130 countries. ICC members work through national committees in their countries to address business concerns and convey ICC views to their respective governments. ICC conveys international business views and priorities through active engagement with the United Nations, the World Trade Organization, the G20 and other intergovernmental forums. To learn more about ICC visit www.iccwbo.org



About the International Organisation of Employers (IOE)

The International Organisation of Employers (IOE) is the largest network of the private sector in the world, with a membership of more than 150 business and employer federations around the world. In social and labour policy debate taking place in the International Labour Organization, across the UN and multilateral system, and in the G20 and other emerging processes, the IOE is the recognized voice of business.

The IOE seeks to influence the environment for doing business, including by advocating for regulatory frameworks at the international level that favour entrepreneurship, private sector development, and sustainable job creation. The IOE supports national business organizations in guiding corporate members in matters of international labour standards, business and human rights, CSR, occupational health and safety, and international industrial relations. For more information please visit www.ioe-emp.org/



About the Business and Industry Advisory Committee (BIAC)

Founded in 1962 as an independent organization, the Business and Industry Advisory Committee to the OECD (BIAC) is the officially recognized representative of the OECD business community. BIAC's members are the major business organizations in the OECD member countries and a number of OECD observer countries. For more information please visit www.biac.org

Foreword

As the voice of international business, ICC has a clear stake in the success of the G20. And it is our view that while governments create the necessary frameworks and conditions, it is the world's businesses, both large and small, that drive the creation of jobs, investment and trade.

Turkey deserves credit for focusing the G20's work on what Ankara labelled the "three I's": ensuring *implementation* of past commitments; boosting *investment* as a key driver of growth; and promoting *inclusiveness* to ensure that the benefits of growth are widely shared. These were admirable objectives, but progress toward them in the Turkish host year could be described as mixed.

On implementation, G20 Leaders agreed to an accountability framework to ensure follow-through on their past growth commitments and support progress toward the Brisbane goal of lifting collective G20 GDP by an additional 2 percent by 2018. They also reinforced their commitment to the full and consistent implementation of the global financial regulatory framework and moved the G20's important anti-corruption and energy agendas forward. But implementation lagged in other areas, notably trade, where G20 Leaders did not announce specific action to roll back protectionist measures, especially localization requirements and other non-tariff barriers; moreover, half of the G20 membership has yet to implement the WTO's landmark Trade Facilitation Agreement (TFA).

On investment, Leaders moved forward the G20's infrastructure investment agenda launched in St. Petersburg, announcing several toolkits, best practices and guidelines for G20 countries to better prepare, prioritize and finance infrastructure projects. But they missed the opportunity to rationalize the current patchwork of bilateral and regional investment rules through a model investment framework.

The inclusiveness agenda at Antalya centred on the important goal of supporting small and medium-sized enterprises (SMEs), which are critical to robust and inclusive growth. Significant progress was made in facilitating SME access to finance, increasing SME access to international markets, and endorsing the World SME Forum, an ICC-led initiative designed to provide advocacy, know-how, and e-knowledge for SMEs globally. Yet even in this area, G20 Leaders missed an opportunity to launch a G20-wide entrepreneurship visa programme to facilitate international mobility for entrepreneurs and SME executives.

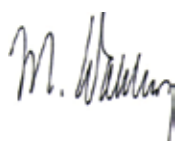
Despite all the good work, the fifth edition of the *ICC G20 Business Scorecard* shows the achievements—and shortfalls—during the Turkish Presidency and provides an evaluation of where progress has been made and where more work needs to be done. We believe that by monitoring G20 actions and offering constructive feedback, the *Scorecard* can help improve G20 outcomes and support its objectives of growth, job creation, and better global governance.

The G20 still has a vital role to play in a post-crisis, growth-deficient global economy. However, it may need a new mindset and a new *modus operandi*. Rather than issuing broad action plans that may promise much but be difficult in practice to carry out, we encourage Leaders to refocus the G20's work on tangible areas of cooperation that support long-term growth, job creation, and resilience of the global economy.

Business input into the process is critical and it is imperative that G20 Leaders are responsive to the constraints that businesses, small and large, face in creating jobs, investments and sustainable growth—and how these problems can be mitigated.

We trust that the *ICC G20 Business Scorecard* can continue to play a useful role in informing the G20 on how the business community interprets its actions and helping the G20 to establish priorities, honour commitments, gauge its progress over time, and identify areas that merit greater attention.

Sincerely,



Marcus Wallenberg
Chairman, ICC G20 CEO Advisory Group

Executive Summary

The importance of the G20 to international business

The G20 agenda bears upon core business goals for trade, investment, economic growth and job creation and will increasingly shape government policies that affect business internationally. Since its elevation to a Leaders-level forum in 2008, G20 cooperation across a wide range of policy issues from trade to anti-corruption has aided business' own efforts to grow and create jobs. Although the G20 is an informal forum for international cooperation with no permanent secretariat or binding enforcement power, the group has the ability to provide strategic leadership for an increasingly integrated global economy, overcoming political roadblocks and driving progress on some of the most intractable economic and social challenges confronting the global economy.

The Group of Twenty (G20) is the premier forum for international economic cooperation. Its members account for 85% of the world economy, 75% of global trade, and around two-thirds of the world's population. The G20 is credited for playing a key role in responding to the global financial crisis of 2008-09. Its decisive and coordinated actions boosted consumer and business confidence and supported the first stages of economic recovery.

For these reasons, the International Chamber of Commerce (ICC) has been deeply engaged in the work of the G20, and formed the *ICC G20 CEO Advisory Group* to intensify top-level international business engagement and press for the inclusion of business priorities in the deliberations of G20 Leaders. Among the activities of the *ICC G20 CEO Advisory Group* has been participation in the Business-20 (B20) process—to drive the development of business policy recommendations—and the production of the *ICC G20 Business Scorecard* to help measure the responsiveness of G20 Leaders to these priorities.

The development of business recommendations

Starting with the first gathering of business leaders during the Canadian G20 Presidency in June 2010, groupings of the world business community, operating collectively as the B20, have come together to develop business priorities and present policy recommendations to G20 Leaders. In their Seoul Communiqué of December 2010, G20 Leaders officially recognized the B20 as an important stakeholder and a constructive partner in promoting the shared objectives of global growth and job creation. Since Seoul, the B20 has been organized by successive national business hosts, under which a number of distinct policy task forces have prepared B20 recommendations, concentrating on issues ranging from trade and investment to anti-corruption and employment.

In 2015 the G20 focused on ensuring inclusive and robust growth through collective action in accordance with the Turkish G20 Presidency's "three I's"—Implementation, and Investment and Inclusiveness. In response, B20 Turkey, under the leadership of B20 Chair Rifat Hisarcıklioğlu, organized itself under six business-led taskforces: Trade, Infrastructure and Investment, Financing Growth, Employment, Anti-Corruption, and SMEs and Entrepreneurship. Each taskforce identified a number of critical barriers to growth and employment across the "three I's" and prepared a set of policy recommendations that, if implemented, would promote and strengthen economic activity and create jobs across the G20 and beyond.

Working collectively during the first half of 2015, the six taskforces arrived at 19 recommendations for action by G20 governments. Together, the B20 Turkey recommendations address key challenges across all G20 members: more trade and investment; better infrastructure; accessible and affordable finance; more capable and active SMEs; human capital in the right place with the right skills. In addition, the recommendations underline the importance of G20 members' continuing to effectively implement commitments already made to improve growth and build resilience.

The evaluation of G20 responsiveness to business

The purpose of the *ICC G20 Business Scorecard* is to examine the G20's recognition of core business messages and its collective policy response to recommendations put forward by the international business community.

It is ICC's view that the *Scorecard* improves the G20 policy-making process by:

- Informing G20 governments on how the business community interprets G20 actions, thereby helping the G20 to establish priorities, honour commitments, gauge its progress over time, and identify areas that merit greater attention.
- Improving business leaders' ability to tailor recommendations and engagement with the G20 by evaluating whether the G20 has recognized business input and how it has carried through on specific business recommendations.

About the Scorecard

First, given the breadth and complex nature of the G20's policy work, it is important to note that the *Scorecard* focuses on G20 responsiveness to business recommendations; it does not attempt to assess progress on the G20's entire agenda. Second, while this fifth edition of the *Scorecard* concentrates on G20 performance during the 2015 Turkish Presidency, it includes intertemporal assessments, recognizing that the response cycle of government policymaking is generally more long-term than the time afforded by the one-year G20 presidencies.

It is important to underline that the *Scorecard* assesses progress by the G20 *collectively* in responding to business recommendations, rather than assessing the performance of *individual* G20 countries. Likewise, the *Scorecard* does not evaluate G20 performance solely on the basis of its achievement of the "end goal." Rather, it evaluates G20's recognition of and subsequent actions in dealing with an issue, followed by an assessment of G20's responsiveness to corresponding business recommendations.

The fifth edition *Scorecard* takes as its starting point the 19 recommendations for G20 governments prepared by B20 Turkey in 2015. In the absence of a B20 Turkey taskforce on energy, companies from the *ICC G20 CEO Advisory Group* also prepared a set of energy recommendations for consideration by G20 Leaders. These were delivered to G20 Energy Ministers through the B20 Energy Forum, held on the sidelines of the first G20 Energy Ministerial in October 2015. Recommendations in the *Scorecard* have been grouped into seven major policy categories corresponding to the 2015 B20 Turkey taskforce structure and the B20 Energy Forum.

1. Trade
2. Financing Growth
3. Infrastructure and Investment
4. Employment
5. Anti-Corruption
6. SMEs and Entrepreneurship
7. Energy and Environment

The *Scorecard's* evaluation of Employment recommendations has been contributed by our colleagues at the International Organization of Employers (IOE) and the Business and Industry Advisory Committee to the OECD (BIAC). IOE and BIAC have contributed significantly to the development of B20 recommendations in this area. IOE served as the co-chair for the Human Capital task force during the Russian and Australian B20 cycles, and was the Business Network Partner for the B20 Turkey Employment Taskforce in 2015.

Scores

Overall score

Decisions taken at the 2015 G20 Leaders' Summit in Antalya were generally reflective of the “three I’s” framework promoted by the Turkish G20 Presidency: making progress on implementation of past commitments, underlining the role of investments as a powerful driver of growth and promoting inclusiveness through an increased focus on small and medium-sized enterprises (SMEs). The overall score of 2.0 (out of 3.0) earned a score of FAIR across the seven major policy groups evaluated in this edition of the *Scorecard*.

Overall Score Fifth Edition ICC G20 Business Scorecard

Overview of all topics	Score
Trade	POOR (1.0)
Financing Growth	GOOD (2.8)
Infrastructure and Investment	POOR (1.3)
Employment	FAIR (1.8)
Anti-Corruption	FAIR (2.3)
SMEs and Entrepreneurship	FAIR (2.0)
Energy and Environment	FAIR (2.2)
Overall Score	FAIR (2.0)

This year's results are mixed. The majority of the recommendations received a number of “Good” scores, reflecting solid progress on business recommendations. However, as in the past, a non-insignificant number of “Fair” and “Poor” and “Inadequate” scores pulled down the average—ultimately yielding a lower overall score than achieved at Brisbane last year. Three of the seven chapters contained an Inadequate score (0.0/3.0), meaning that there was no recognition of the business priority, and there were three instances of Poor scores (1.0/3.0), indicating that G20 Leaders had acknowledged the issue but not taken any collective steps to address it. Compared to past *Scorecards*, there is a notable increase in polarized scores—either high or low, and less in-between. This suggests that both business and the G20 need to do a better job of communicating priorities and identifying areas where progress is both realistic and achievable.

Over 70 G20 meetings, including at a ministerial level, were held during Turkey's presidency. The Antalya Communiqué also saw the delivery of 22 Agreed Documents, nine Ministerial Statements, 34 G20 Working Group Documents, and 54 Supporting Documents—more than any previous host. The outcome of these meetings and reports were reflected in the topics covered in the Leaders' Communiqué, with several notable advancements on business priorities.

The Communiqué reiterated the commitment to lifting collective G20 GDP by an additional 2% by 2018 as announced in Brisbane last year and reported that significant progress towards fulfilling commitments to the individual country growth strategies had been made. Acknowledging that more needs to be done, G20 member countries presented country-led investment strategies aimed at boosting investment in infrastructure, in particular through public-private partnerships. Business also welcomed Turkey's decision to organize the first ever G20 Energy Ministers Meeting, as well as continuing the tradition started by Mexico in 2012 of hosting a G20 Trade Ministers meeting. Both events provide an important opportunity for business executives to share priorities directly with Ministers ahead of the G20 Leaders' Summit in Antalya.

Support for SMEs was one of the defining aspects of the Turkish G20 Presidency and was a unifying theme across the G20's work streams in 2015. In particular, ICC welcomed the G20's official recognition of the new World SME Forum (WSF), a groundbreaking ICC-led initiative to build capacity within the small business sector and to ensure that the views of small business are taken into account in the development of global policies.

Progress on other important business priorities included: (i) support for a strong multilateral trading system; (ii) renewed attention to energy and climate challenges; (iii) the FSB's first annual report on implementation and effects of the G20 financial regulatory reforms; and (iv) the first mentions of the Internet, Intellectual Property (IP) theft and Information Communication Technologies (ICTs) in a Summit Communiqué.

G20 score on Trade

The overall score assessment of G20 commitments and decisions on Trade is a 1.0 (out of 3.0).

This is the lowest score of all the policy areas evaluated in the fifth edition of the *Scorecard*. Progress on ratification of the WTO Trade Facilitation Agreement has been disappointingly slow and there has been insufficient action by the G20 to curb protectionism, including localization requirements

which are barriers to trade, as recommended by the B20. However, the low overall score masks promising—albeit early—steps to address the digital economy. This year's score of 1.0 is a step down from the 4th edition's score of 2.0 and the 3rd edition's high score of 2.5—demonstrating a return to the low scores of the 1st and 2nd *Scorecard* where G20 commitments and decisions on trade received scores of 1.0 and 1.3 respectively.

Robust trade policies, supported by an open, rules-based, transparent and non-discriminatory WTO-based multilateral trading system are the best guarantees to deliver strong and sustainable growth. ICC therefore commends Turkey for hosting a G20 Trade Ministers meeting in October and welcomes the G20 Leaders' continued support in Antalya for a strong and efficient multilateral trading system. ICC also welcomes the recognition by G20 Leaders that bilateral, regional and plurilateral trade agreements should complement one another, be transparent and contribute to a stronger multilateral trading system under WTO rules. This commitment is especially important with several regional trade agreements currently being discussed, including the Transatlantic Trade and Investment Partnership (T-TIP), Trans-Pacific Partnership (TPP) and Regional Comprehensive Economic Partnership (RCEP).

Trade flows—which have historically been an important driver of growth and job creation—recorded an unanticipated 6% drop through the first half of this year. New data suggest that protectionism is again on the rise, and according to the latest ICC Open Markets Index 2015, the G20 is failing to demonstrate global leadership on trade openness, with only one G20 nation (Germany) ranking among the world's top 20 open trade markets. It is therefore vital that the good words of the Antalya Communiqué translate into real world action to keep markets open and to make trade easier for small businesses and entrepreneurs.

Scoring component highlights:

- Ratification and implementation of the WTO Trade Facilitation Agreement (TFA) remains a milestone for the WTO, as well as for the G20. However, despite the G20's collective call for the "*prompt ratification and implementation of the Trade Facilitation Agreement*," progress on ratification has been disappointingly slow, and only 66 of the 108 countries required for the agreement to enter into force have ratified the TFA.¹ The passive wording in the Antalya Communiqué was a missed opportunity to amplify the urgency of making progress on TFA to implementation, and the importance of such progress on the balance of the WTO agenda. Moreover, the G20 missed an opportunity to demonstrate commitments amongst its own membership, with 10 G20 countries remaining unsigned (Argentina, Brazil, Canada, India, Indonesia, Mexico, Russia, Saudi Arabia, South Africa and Turkey.)²

Summary of G20 Response to Business Recommendations

Trade	Score
1.A – Ratify and implement the Trade Facilitation Agreement	Poor
1.B – Reaffirm the standstill on protectionism	Inadequate
1.C – Improve the global trade system for the emerging digital economy	Fair
Overall Score	POOR

¹ As of 11 January 2016
² As of 11 January 2016

- In stark contrast to the G20's recurrent pledges to refrain from protectionism and to roll back protectionist measures, the overall stockpile of restrictive measures introduced by G20 economies since 2008 continues to grow. Consequently, G20 reaffirmations of its longstanding standstill and rollback commitments to resist protectionism come across as hollow in the face of recent reports that the G20's effective operational progress on reducing trade barriers has been lacking.
- Leaders omitted any recognition of their own introduction of new barriers, a slowing in progress on rolling back existing barriers and the generally limited progress on removing trade-restrictive measures, including trade remedies and business recommendations for addressing non-tariff barriers (NTBs), including localization barriers.
- The Antalya Communiqué included—for the first time in G20 history—a paragraph on the importance of ICTs as a means to generate growth. While it did not outline any specific actions to improve the digital economy, this inclusion is welcomed and sets the stage for an increased focus on this important business priority.

G20 score on Financing Growth

The overall score assessment of G20 commitments and decisions on Financing Growth is 2.8 (out of 3.0). In 2015, the B20 Financing Growth Taskforce prepared four recommendation focused on two overarching themes: 1) facilitating financial inclusion with a focus on supporting SMEs and 2) improving global financial regulation. The near perfect score reflects the clear responsiveness to three of the four business priorities put forward this year. Notable progress was made across the G20's regulatory reform agenda under the Turkish G20 Presidency, and all of the business recommendations were acted upon. However, insufficient response to the business recommendation to improve regulatory consistency and establish institutional mechanisms to strengthen regulatory cooperation prevented a perfect score.

Summary of G20 Response to Business Recommendations

Financing Growth	Score
2.A – Make data on SME creditworthiness more transparent and available	Good
2.B – Broaden and deepen SMEs' access to alternative financing	Good
2.C – Finalize and improve the implementation of the global financial reform agenda	Good
2.D – Reiterate the need for regulatory consistency and improve the consultation process	Fair
Overall Score	GOOD

Business commends Turkey for amplifying the focus on the SME sector as a priority issue during its G20 Presidency. The increased focus on SME finance—both traditional and alternative sources—under Turkey's stewardship of the G20 is an important acknowledgment of the contributions the SME sector can make to the global economy. Turkey has successfully laid the groundwork for the G20 to support SME growth and development—and it will now be up to individual G20 members to ensure that the policies are translated into tangible support to SMEs. The international business community also welcomes efforts of the G20, led by the Financial Stability Board (FSB), to improve the resilience of the financial system through more robust regulation. If properly implemented, reforms will help support economic activity and job creation. However, it is important to improve financial stability without impeding growth. The priority must therefore be to ensure the full, consistent and prompt implementation of agreed reforms, while also giving due consideration to their impact on emerging market and developing economies.

Scoring component highlights:

- Support for SMEs was one of the defining aspects of the 2015 G20 Turkish Presidency and this focus effectively elevated the discourse on SMEs to the Leaders level, with the G20 building on its portfolio of support mechanisms and measures to improve SME's access to finance and help unlock the full potential of SMEs worldwide.
- Actions for improving SME creditworthiness and transparency were highlighted in several of the reports, studies and action plans prepared for the Antalya Summit, including the *G20/OECD High-Level Principles on SME Financing and the Joint Action Plan on SME Financing*.
- The Summit Communiqué and Antalya Action Plan clearly recognized the importance of the SME sector and endorsed a number initiatives aimed at increasing SME financing, including non-traditional alternatives.
- Endorsement of the World SME Forum (WSF) and further reference to WSF in the Antalya Action Plan signals the G20's valuation of the mandate of WSF to provide advocacy, know-how, and e-knowledge for SMEs globally.
- Leaders in Antalya recognized the importance of further improvement in the stability of the financial system to support growth and affirmed that major financial regulatory reforms have been completed, including finalization of the standard on total-loss-absorbing-capacity (TLAC). Business notes the impact assessment studies conducted by the FSB, BCBS and BIS on the final TLAC standard and welcomes the FSB's commitment to monitor implementation and undertake a review of its technical implementation by the end of 2019.
- Leaders in Antalya reinforced their commitment to the full and consistent implementation of the global financial regulatory framework and specifically pledged to monitor and assess the implementation and effects of reforms on emerging market and developing economies. Nonetheless, the G20 missed an opportunity to delineate methods for improving the consultation process, such as the B20 recommendation to establish MoUs between regulators and stakeholders to improve regulatory consistency and strengthen regulatory cooperation.
- The FSB released its first annual report on implementation and effects of the G20 financial regulatory reforms and an action plan to address the decline in correspondent banking services.

G20 score on Infrastructure and Investment

The overall score assessment of G20 commitments and decisions on Infrastructure and Investment is 1.3 (out of 3). The score reflects Turkey's emphasis on investment, together with inclusiveness and implementation, as the three "I's" of its Presidency. The continued absence of any discussions on the recurrent business recommendation to work towards a common set of international investment principles precluded a higher score.

Summary of G20 Response to Business Recommendations

Infrastructure and Investment	Score
3.A – Improve the infrastructure investment ecosystem	Fair
3.B – Develop country-specific infrastructure investment strategies	Fair
3.C – Commit to international investment principles related to FDI	Inadequate
Overall Score	POOR

The G20's long-term investment agenda, launched at the 2013 St. Petersburg Summit and continued through Brisbane and Antalya, has firmly established infrastructure investment as

one of the G20's key priorities and resulted in a number of collective actions and initiatives across the G20 and beyond.³

During its G20 Presidency, Turkey put a firm emphasis on investments as a powerful driver of growth, and the topic of infrastructure investment ran through the Antalya Summit deliberations as a major theme. Building on the G20's comprehensive growth strategies launched at the 2014 Brisbane Summit, Turkey asked G20 members in 2015 to develop country-specific investment strategies to improve the investment ecosystem, foster efficient and quality infrastructure, and support dynamism among SMEs. According to analysis by the OECD, these strategies would contribute to lifting aggregate G20 investment to GDP ratio by an estimated 1 percentage point by 2018.

However, ICC believes that the growth strategies also need to be coupled with robust measures to support cross-border investments and improve underlying investment conditions that enable long-term financing across the board. It was therefore disappointing that the G20 once again failed to address the issue of supporting international investment flows—including through the development of clearer international investment rules. The development of a high-standard multilateral framework would help overcome the deficiencies of the current patchwork of bilateral and regional investment rules.

Scoring component highlights:

- The Turkish G20 Presidency carried forward the G20's impressive infrastructure investment agenda launched in St. Petersburg; and the Antalya Summit saw the delivery of several toolkits, best practices and guidelines for G20 countries to better prepare, prioritize and finance infrastructure projects, including PPPs. Notwithstanding these important steps, Leaders have not prioritized the need to rationalize cross-border investment frameworks, including for infrastructure investment.
- Business commends the G20 country-specific investment strategies endorsed by Leaders in Antalya, which include a number of concrete actions that G20 members are taking to foster infrastructure investment. Looking forward, the G20 should continue progress by setting national targets on infrastructure spending as a percentage of GDP and developing an overarching national vision or strategy with clear and credible infrastructure pipelines, as recommended by the B20.
- Despite a growing chorus for G20 leadership on international investment governance, the Turkish G20 Presidency did not respond to this business recommendation. Failing to address this important issue, such as through a model investment framework, was a missed opportunity to demonstrate leadership in rationalizing the current patchwork of bilateral and regional investment rules.

G20 score on Employment

The overall business assessment of G20 commitments and decisions on Employment is 1.8 (out of 3.0).

High and persistent unemployment in many countries has given impetus to the G20 focus on the role of employment in achieving a sustainable recovery. The Turkey G20 Presidency, which promoted “Inclusiveness, Implementation, and Investment for Growth”, concentrated the G20 employment workstream on promoting more inclusive labour markets; increasing investment in human resources; and achieving successful implementation through effective monitoring.

³ Various infrastructure instruments have been developed under the aegis of the G20 over the course of its 7-year history as a Leaders level event, including: G20 leading practices on promoting and prioritizing quality investment, the G20/OECD High-Level Principles on Long-term Investment Financing by Institutional Investors, the G20/OECD Checklist on Long-term Investment Financing Strategies and Institutional Investors; the WBG's Prioritizing Projects to Enhance Development Impact; 2015 instruments (such as the IMF guidance on “Making Public Investment More Efficient”; the revised OECD Policy Framework for Investment; the OECD Guidelines “Towards a Framework for the Governance of Infrastructure”; the OECD Recommendation on Effective Public Investment across levels of Government; the G20/OECD Principles of Corporate Governance; the MDB's Common Approaches to Supporting Investments in Infrastructure; the WBG Infrastructure Prioritization working paper and Draft Infrastructure Prioritization Platform; the WBG/ OECD Checklist for Public Private Partnership Projects; the WBG Report on Recommended Public Private Partnership Contractual Provisions and Good Practices on Public Private Partnership Disclosure) and others (such as the OECD Codes of Liberalization and the OECD Guidelines for MNEs).

Unfortunately, G20 leadership did not press for essential labour market reforms. This is concerning, particularly in view of the recent IOE-BIAC-Deloitte survey on youth employment in G20 countries, wherein 80% of the respondents reported that the current regulatory framework for the establishment and operation of enterprises is “*more cumbersome than supportive to employment creation.*”⁴ Streamlining the regulatory environment will improve the ability of economies to employ more people. Consequently, the G20 must become an engine for reform for labour markets that encourages companies to hire as many people as quickly as possible.

Scoring component highlights:

- Business welcomes the commitment by G20 Leaders to reduce the proportion of young people who are most at risk of being left permanently behind in the labour market by 15 per cent by 2025, as well as to improve the institutional and professional capacities of employment services in G20 countries.
- However, the G20 ministers failed to address key issues around bringing more people into employment, such as creating an enabling business environment and improving labour market flexibility.
- Determined action is needed to implement the G20 commitments on skills development. Skills have been the focus of the G20 employment process from the very beginning, but too little follow-up action has been delivered.

G20 score on Anti-Corruption

The overall score assessment of G20 commitments and decisions on Anti-Corruption is 2.3 (out of 3). This score is an acknowledgement of the ongoing partnership between the B20 and ACWG, with several commitments and deliverables in the 2015-2016 G20 Anti-Corruption Action Plan aligned to the 2015 B20 recommendations.

The ACWG is by far the most inclusive of all the official G20 working group arrangements, with B20 representatives routinely invited to participate in ACWG meetings and to submit suggestions to the ongoing G20 anti-corruption agenda. In 2015, B20 Turkey focused on implementable solutions to strengthen anti-corruption initiatives, and progress was made on all three priority areas identified: Customs, Public Procurement, and Beneficial Ownership.

Business recognizes and values the ongoing cooperative role between the G20 and B20 on this very important issue, and stands ready to complement the work of the G20, including through the development of training products to help companies implement effective

Summary of G20 Response to Business Recommendations

Employment	Score
4.A – Implement comprehensive structural reforms to advance employment opportunities	Poor
4.B – Increase youth employment and female labour-force participation	Good
4.C – Develop and finance programmes aimed at reducing skills mismatches	Fair
Overall Score	FAIR

Summary of G20 Response to Business Recommendations

Anti-Corruption	Score
5.A – Implement the G20 High-Level Principles on Beneficial Ownership Transparency	Fair
5.B – Move towards a comprehensive digital environment for customs and border clearance	Good
5.C – Promote public integrity in public procurement	Fair
Overall Score	FAIR

⁴ IOE, BIAC, Deloitte “The youth employment opportunity Understanding labour market policies across the G20 and beyond” (2015). <http://biac.org/wp-content/uploads/2015/09/The-Youth-Employment-Opportunity1.pdf>

compliance programmes. As part of the Turkish G20 Presidency's focus to broaden the engagement of private sector, the ACWG adopted the G20 High Level Principles on Private Sector Integrity and Transparency and the Anti-Corruption Education Toolkit for SMEs, which was developed in cooperation with the B20.

Scoring component highlights:

- The delivery and publication of *national Implementation Plans* on beneficial ownership transparency demonstrates the G20's continued resolve to take action on beneficial ownership secrecy. However, one year out from Brisbane, there are still gaps between the G20's own principles and the current state of regulation in several G20 countries. Considerable progress remains to fulfill the Brisbane commitments and deliver tangible results on anti-corruption Implementation Plans during 2016.
- Business commends the G20 for identifying customs-related corruption as a high risk area and a priority issue for future work. ICC stands ready to support the ACWG through its portfolio of anti-corruption tools and with support from the ICC global network of large and small businesses.
- Business welcomes the G20's efforts to ensure integrity and transparency of the public sector. However, despite several notable actions and deliverables in Antalya, there was no response to the ongoing business recommendation to develop and promote the concept of high-level reporting mechanisms (HLRMs). Business believes that this was a missed opportunity, as the promotion of HLRMs among G20 countries and beyond would complement the G20's initiative to achieve integrity in public procurement.

SMEs & Entrepreneurship

The overall score assessment of G20 commitments and decisions on SMEs and Entrepreneurship is 2.0 (out of 3.0.) The score reflects Turkey's emphasis on SME growth as one of its key priorities for its G20 Presidency, tying into business priorities for improving international entrepreneurial mobility and the need for specific broadband penetration goals to improve SMEs' access to the digital economy.

Support for SMEs was one of the defining aspects of the Turkish G20 Presidency and was a unifying theme across the G20's work streams in 2015. To complement the G20's efforts, B20 Turkey amplified attention to SMEs by creating a new B20 taskforce on SME and Entrepreneurship, tasked with identifying the most critical bottlenecks to SME development and delineating a priority list of SME-oriented policy recommendations.

Notably, B20 Turkey also championed the creation of the World SME Forum (WSF)⁵—a global platform with the mission of improving the overall growth and impact of SMEs globally. The WSF was established by the Union of Chambers and Commodity Exchanges of Turkey (TOBB) and ICC and aims to provide SMEs with effective representation and tools, ensuring that they can compete fairly in both domestic and international markets.

Summary of G20 Response to Business Recommendations

SMEs & Entrepreneurship	Score
6.A – Initiate G20-wide entrepreneur visa programmes	Inadequate
6.B – Improve SMEs' access to the digital economy and innovation ecosystems	Fair
6.C – Improve SMEs' access to international markets	Good
6.D – Endorse the World SME Forum	Good
Overall Score	FAIR

⁵ www.worldsmeforum.org

While SMEs and Entrepreneurship is a new policy grouping for the fifth *Scorecard*, previous editions have assessed various elements of this category. A comparison of past scores shows that the G20 has not only increased its focus on SMEs, but its responsiveness to business recommendations in this area has also improved – with the 2015 Turkish G20 being particularly notable for its focus on SMEs and inclusive growth.

Scoring component highlights:

- Support for SMEs was one of the defining aspects of the Turkish G20 Presidency and the Antalya Summit Communiqué made multiple references to supporting SME growth.
- The G20 did not respond to the business recommendation of initiating the development of a G20-wide entrepreneurship visa programme to facilitate international mobility for entrepreneurs and SME executives.
- ICC welcomes the G20’s commitment to “bridge the digital divide.” The inclusion of the first G20 Leaders level discussion on the digital economy is historic and lays the groundwork for further discussions during China’s Presidency of the G20 in 2016.
- Business welcomes the G20 Trade ministers’ discussion on the importance of increasing SMEs access to international markets, including by enhancing their participation in Global Value Chains (GVCs).
- ICC commends the G20’s official recognition of the newly formed WSF as a platform to provide advocacy to enable SMEs to better integrate into their GVCs and to improve their financing opportunities and investment environment. The WSF’s upcoming programmes on certification and digital connectivity (eWSF - online platform) hold great potential to improve access to international markets by helping to position SMEs worldwide for better partnership opportunities with anchor buyers and their GVCs in general.

G20 score on Energy and Environment

The overall score assessment of G20 commitments and decisions on Energy and Environment is 2.2 (out of 3.0.) This is a notable increase over last year’s score of 1.2 and the highest score on Energy and Environment since ICC began monitoring the G20’s work in 2010. The increase is the result of a heightened, even unprecedented, focus on energy and climate change in the Antalya Leader’s Communiqué, coupled with the first G20 Energy Ministers Meeting on 2 October 2015—both indicating that energy and climate issues are gaining greater traction in G20 deliberation at the Leaders’ level.

Summary of G20 Response to Business Recommendations

Energy and Environment	Score
7.A – Improve environment to encourage long-term investment in energy	Poor
7.B – Improve global energy governance framework	Fair
7.C – Increase the uptake of energy efficiency	Good
7.D – Stimulate investment in sustainable energy and new technologies	Fair
7.E – Enhance energy security and improve energy access for all	Good
Overall Score	FAIR

ICC is pleased that the G20 has recognized several of the business priorities outlined in this year’s B20 Energy Forum statement, to which ICC G20 CEO Advisory Group members contributed. Specifically, G20 Leaders endorsed the G20 Energy Access Action Plan; Voluntary Collaboration on Energy Access, which initially focuses on enhancing electricity access in Sub-Saharan Africa; and the G20 Toolkit of Voluntary Options on Renewable Energy Deployment, which sets out options for further work by the G20. The Communiqué also highlighted progress made this year by participating countries in taking forward their voluntary collaboration on energy efficiency and emissions performance of vehicles, particularly heavy duty vehicles, networked devices, buildings, industrial processes and electricity generation, as well as financing for energy efficiency.

The G20 Communiqué also included unprecedented strong language on climate change, noting that it is “one of the greatest challenges of our time”. The G20 affirmed members’ determination to adopt “a protocol, another legal instrument or an agreed outcome with legal force at the COP21 in Paris that is applicable to all Parties.” *Notably, these commitments held firm in Paris and a historic consensus on a new global climate agreement was reached—one that will give business and investors the long-term certainty needed to scale up innovation and investment in climate solutions*

Scoring component highlights:

- Energy Ministers emphasized the importance of supporting investments in clean energy technologies. However, there were no G20 discussions on reducing trade barriers in environmental goods and services, nor was there any support for the WTO EGA negotiations, as suggested by business.
- The Antalya Communiqué’s reference to making enhanced progress on Leaders’ 2009 fossil fuel subsidy pledge is welcome, but tangible progress on the longstanding goals remains unclear.
- The lack of invited private sector participation in the G20’s energy discussions continues to be a concern, especially given the role of business in energy exploration, production and supply. Business encourages the ESWG in 2016 to invite members of the business community to its official working group meetings during the Chinese G20 Presidency.
- Business is encouraged by the G20 Energy Ministers’ commitments to strengthen energy market transparency through the JODI-Oil and JODI-Gas initiatives, and the recognition that the G20 has an important role to advance coordination and cooperation among international and regional energy institutions.
- Consistent with the Leaders’ Brisbane mandate and the G20 Energy Efficiency Action Plan, a number of G20 economies have formulated options and possible next steps to address barriers to greater energy efficiency in 2016.
- The endorsement from G20 Energy Ministers for “*further work to ensure that the [Energy Efficiency Action Plan] has a long term perspective*” validates the B20 recommendations and signals the potential for collaborating with Business on this critical topic, beginning with the Chinese G20 Presidency in 2016.
- The adoption of the first-ever *Voluntary G20 Renewable Energy Toolkit* reflects G20 leadership to reduce renewable energy costs among G20 countries and sharing low-cost technology around the globe.
- Business welcomes the adoption of the new *G20 Energy Access Action Plan*, in which G20 Leaders agreed to strengthen G20 coordination and establish a long-term voluntary cooperation framework on improving energy access, focusing initially on enhancing electricity access in Sub-Saharan Africa where the problem is most acute.

ICC G20 Business Scorecard results over time

To establish a point of reference on scoring over time, the following table presents the overall score and the scores across the major policy groupings since the publication of the 1st edition *Scorecard* in 2011. Notably, the major groupings have changed slightly due to the re-composition of B20 taskforces in 2014 under B20 Australia, the inclusion of a chapter on Employment deriving from ICC’s collaboration with IOE/BIAC, and the addition of a new chapter on SMEs and Entrepreneurship in 2015 under B20 Turkey. In order to bridge any gaps associated with the restructuring in this edition, the reader will find that each scoring chapter contains a brief discussion on how those specific scores have progressed since ICC’s monitoring began.

Major Grouping (1st - 3rd edition)	First Scorecard	Second Scorecard	Third Scorecard	Fourth Scorecard	Fifth Scorecard	Major Grouping (4th – 5th edition)
Trade and Investment	Poor	Poor	Good	Fair	Poor	Trade
				Fair	Poor	Infrastructure and Investment
					Fair	SMEs and Entrepreneurship
Financing for Growth and Development	Fair	Good	Fair	Good	Good	Financing Growth
Energy and Environment	Poor	Fair	Poor	Poor	Fair	Energy and Environment
Anti-Corruption	Poor	Fair	Good	Good	Fair	Anti-Corruption
				Fair	Fair	Employment
Overall Score	POOR (1.4)	FAIR (1.9)	FAIR (2.1)	FAIR (2.1)	FAIR (2.0)	

As set out in the 1st edition, “*The Scorecard is envisioned to be a living document that evolves with G20 developments. Subsequent Scorecard editions will refine the process for identifying deficiencies; provide guidance for improvement and action; and monitor progress from Summit to Summit.*” As such, ICC will endeavour to continually adapt the Scorecard to reflect the evolution of Business policy priorities and the progress by the G20 in responding to these priorities.

