

Accountability Assessment Framework Going Forward

The Los Cabos Accountability Assessment Framework will continue to be used to take stock of where the G-20 is in relation to its objectives of strong, sustainable and balanced growth. In light of the development of the comprehensive growth strategies, the framework has been adjusted to ensure that it will be effective in encouraging G-20 members to implement the commitments they put forward in the comprehensive growth strategies as well as in assessing the actual growth impact and spillovers of the policies being implemented. Continued leadership in the Accountability process of Finance and Central Bank Deputies, Ministers, Governors, Sherpas and Leaders is crucial for ensuring strong ownership of the process by G-20 members.

Objectives and Principles

The objectives of the Accountability Assessment process will remain broadly similar.

- It will keep pressure on members throughout the year to implement their policy commitments by undertaking a thorough mutual assessment of the G-20's progress.
- It will allow members to consider new commitments and to modify existing ones, if warranted, in response to evidence of their impact and/or because of changing circumstances.
- It will assess whether the G-20 remains on track to achieve its objectives both qualitatively (i.e., strong, sustainable and balanced growth) and quantitatively (i.e., the Sydney Declaration on boosting G-20 GDP by more than 2 per cent by 2018).

The process will continue to be based on the pillars of the Los Cabos Accountability Assessment Framework. Among others:

- The Accountability process will continue to be member-owned and member-led.
- Members will undertake comprehensive peer reviews of progress along the implementation path and toward achieving strong, sustainable and balanced growth.

Technical support and analysis from the international organizations will continue to be an important input to the Accountability process given their expertise and independence. In particular, progress towards the Sydney Declaration will require an objective assessment of where the G-20 is collectively relative to the trajectory implied by policies in place at the time of the St. Petersburg Summit in 2013. International organizations are well positioned to provide objective and technical advice to the G-20 on the extent to which policies are actually being implemented as well as changes to the economic outlook, both of which will influence progress towards the Sydney Declaration. To improve ownership of the group, the international organizations will further develop active discussions with G-20 members to ensure that members have, with the help of full transparency, a clear understanding of the assessment methodology, as well as to explore areas where improvements may be required.

A limited number of structural reform commitments from previous Action Plans, the improvement in GDP and efforts taken to minimise negative and promote positive spillovers will also be tracked for progress and assessment.

Key deliverables of the 2015 Accountability Assessment process will include progress reports on accountability discussions through the year for Finance Ministers and Central Bank Governors, as well as an Accountability Assessment and revised growth strategies for Leaders at the 2015 Summit.

Assessing the Objective of Strong, Sustainable and Balanced Growth

The Assessment of the G-20's collective progress towards achieving strong, sustainable and balanced growth will entail assessments of current growth against potential, prospects for raising potential growth, and further progress toward reaching a more sustainable reduction in global imbalances. The Assessment will also review implementation of members' growth strategies and progress toward monetary, exchange rate and structural reform commitments as well as fiscal strategies as set out by the advanced economies and some emerging market economies in the updated St. Petersburg fiscal templates. The Assessment will examine how members have met their commitments to minimize negative spillovers on other members as well as foster positive spillovers.

Assessing the Sydney Declaration (Boosting G-20 GDP by more than 2 per cent by 2018)

The assessment process will determine progress toward the Sydney Declaration. In particular, with the advice of international organizations, led by the IMF and OECD, the G-20 will:

- Assess whether the package of policies committed to at the Brisbane Summit is being implemented;
- Assess whether measures are having the desired effect and to the extent possible, their impact on actual GDP, and;
- Consider the impact of ongoing revisions to the economic outlook.

Members acknowledge that the diversity within member countries, especially in terms of their stage of development, will add to the challenge of the assessment.

Growth Strategies Adjustments

The Accountability Assessment process will be used to guide adjustments to the growth strategies needed to ensure the G-20 meets its collective ambition by 2018. The conclusions of the peer reviews and the analysis from international organizations will help members determine whether changes to their growth strategies are necessary. It may be necessary to put forward additional measures in the case of a sustained weakening of the global growth outlook or to address policy gaps that remain. Finance Ministers and Central Bank Governors will give guidance over the course of the year in determining whether changes to the outlook are material and whether they warrant additional actions through the updated growth strategies.