

The B20 puts forward the following set of policy recommendations to support the G20 leaders in their ongoing mission to implement structural reforms and to ensure strong, sustainable, and balanced growth. The B20 encourages the G20 leaders to cooperate effectively for sound macroeconomic policies and implement their respective growth and investment strategies. In particular, the B20 believes that by addressing the following recommendations, the G20 will remove obstacles to increased private-sector activity. The B20 asks the G20 leaders to address these recommendations and to advance them through corresponding policy mandates in their Antalya Summit communiqué.

To **complete implementation of agreed policies**, G20 members should:

1. Ratify and implement the Trade Facilitation Agreement.
2. Finalize and improve the implementation of the global financial reform agenda.
3. Reiterate the need for regulatory consistency and improve the consultation process in the financial reform agenda.
4. Implement the G20 High-Level Principles on Beneficial Ownership Transparency.

To **invest in correcting imbalances**, G20 members should:

5. Develop a common set of international investment principles and promote greater transparency and harmony in taxation related to FDI.
6. Develop country-specific infrastructure investment strategies linked to G20 growth aspirations.
7. Improve the infrastructure investment ecosystem to facilitate the development of infrastructure as an asset class.
8. Develop and finance programs aimed at reducing skills mismatches, in particular technical, managerial, and entrepreneurial skills.

To **foster inclusiveness**, G20 members should:

9. Implement comprehensive structural reforms, making labor markets more dynamic and inclusive, to advance employment opportunities.
10. Increase youth employment and female labor-force participation.
11. Make data on SME creditworthiness more transparent and available so that various finance tools that reduce risk associated with SME lending can be used effectively.
12. Broaden and deepen SMEs' access to alternative financing by supporting and harmonizing policies, regulations, and standards.
13. Provide support to SMEs to comply with international standards and improve their access to international markets through capacity-building and technical assistance programs.
14. Incorporate a five-year universal broadband connection target into G20 Member Growth Strategies, improve SMEs' access to the digital economy, and innovation ecosystems by increasing stakeholder collaboration.

To **enhance competition**, G20 members should:

15. Improve the global trade system for the emerging digital economy.
16. Initiate G20-wide entrepreneur visa programs.
17. Reaffirm their commitment to a standstill on protectionism and roll back existing protectionist measures, especially non-tariff barriers, including localization barriers to trade.
18. Develop and adopt a comprehensive digital environment for customs procedures and cross-border automated clearance systems in all G20 countries within five years through public-private collaboration.
19. Digitalize public procurement systems, develop high-level reporting mechanisms, and incentivize business compliance programs for public procurement processes.

## Institutional support

Institutional support and leadership of policy responses is critical to timely and efficient implementation. G20 members, in responding to B20 recommendations, should continue to utilize existing intergovernmental institutions that have accumulated significant expertise in the areas identified for action to ensure effective follow-through of the recommendations proposed. For several of the recommendations highlighted in this paper, the business community supports deepening the responsibilities of two new institutions that the G20 itself has initiated and supported: the World SME Forum (WSF) and the Global Infrastructure Hub (GIH).

### World SME Forum

SMEs are vital to the world economy, and their role is increasingly viewed as that of a powerhouse of economic growth, investment, employment, and innovation. Notwithstanding these wide-ranging benefits to the economy, SMEs persistently lack human and financial resources and face a variety of constraints that restrict their potential contribution to global economic activity.

G20 interventions to stabilize the economy and stimulate economic growth, trade, and employment must therefore address the critical role of SMEs and put in place policies to better service them so that they can more effectively contribute to growth and job creation. For these reasons, the B20 has put forward recommendations to the G20 to support SMEs since its second summit in 2010. This year, in light of G20 Turkey's SME emphasis, the B20 has amplified attention to SMEs and championed the creation of the WSF. The WSF was established by the Union Chambers of Commerce and Industry of Turkey (TOBB) and the International Chamber of Commerce (ICC) to promote the SME agenda globally. Notably, G20 finance ministers officially recognized the establishment of the WSF during the World Bank–International Monetary Fund spring meetings in Washington D.C. This development is most timely, as interventions to uplift SMEs need urgent and coordinated attention, given their prominent role in economic growth and job creation.

The WSF is specifically structured to assist in carrying out many of the B20's SME-related recommendations. To facilitate implementation of these recommendations, the B20 advocates that the G20 formally endorse the WSF, and mandate it to 1) monitor the implementation status of SME-related recommendations accepted by the G20 going forward to ensure continuity; 2) coordinate with international financial institutions and multilateral development banks (MDBs) to deliver on SME programs and financing – for example, identifying access to finance issues, disseminating good practices, and developing policies; and 3) bring forward practical solutions to help integrate SMEs more seamlessly into global value chains (GVCs).

### Global Infrastructure Hub

G20 members committed in Brisbane to the establishment of the GIH with a global mandate to disseminate leading practices to facilitate the development and delivery of pipelines of bankable, investment-ready infrastructure projects. The B20 re-iterates the need for this mandate. The problems identified in 2015 remain as significant impediments to addressing the growing gap between infrastructure needs and the quantity and quality of infrastructure projects currently being developed.

Infrastructure projects globally can benefit from more coherent international standards, protocols, and guidelines, while countries can benefit from accessing just-in-time and leading-practice knowledge in every aspect of infrastructure projects from conceptualization, feasibility assessment, and preparation to financing, development, and completion. However, no institution exists today that has been given the mandate to institutionalize common standards where applicable.

The G20 should extend the mandate of the GIH to: coordinate among existing institutions to codify international standards and leading practices in infrastructure; propose areas where common standards can be developed; and help the G20 decide on how these standards may be institutionalized.