

2011 REPORT OF THE DEVELOPMENT WORKING GROUP – VERSION POST PARIS MEETING

1. Globalization has, over the last decades, contributed to poverty reduction, job creation, and more broadly, economic take-off and convergence of an increasing number of developing countries. These countries, in particular fast growing emerging markets, have the potential to become new poles of global growth and development. During the same period, however, many countries have not kept pace: in the last 40 years of the 20th century, the gap between the average income of the richest 20 countries and of the poorest 20 countries doubled in size, with the wealthiest group reaching a level more than 30 times that of the poorest¹, leading to an unsustainable path of growing global inequalities, as well as concerns about the attainment of the Millennium Development Goals (MDGs) by 2015.
2. With the Pittsburgh framework and the Seoul Development Consensus, the G20 recognizes that development and global economic issues cannot be tackled separately: development is crucial for global economic growth, poverty reduction and employment creation. The development agenda of the G20 with its commitment to narrow the development gap, reduce poverty and promote shared growth², is therefore an essential component for a strong, sustainable and balanced growth. At the same time, the G20's action to strengthen global economic governance and financial regulation impacts directly developing countries, including Low Income Countries (LICs).
3. The Seoul Development Consensus sets out our commitment to work in partnership with other developing countries, and LICs in particular, to help them tackle the bottlenecks to a stronger and more equitable, sustainable and resilient growth. We decided in Seoul to pool our efforts and our diverse approaches: the Multi-Year Action Plan (MYAP) of the G20 embodies this commitment. We have started implementing the MYAP by taking both individual and collective actions along two avenues: setting the foundations for strong and balanced growth and building resilience. The G20 development agenda is not a substitute for existing commitments on development, especially the United Nations Millennium Declaration.

Setting the foundations for a strong and balanced growth

4. Addressing bottlenecks hampering the potential of economic growth of many developing countries is seen as a major requirement to achieve increasing job creation, lowering poverty, harnessing their economic growth potential, and ultimately to contribute to global rebalancing.

Supporting investment in infrastructures

5. In many developing countries, in particular LICs, the investment to GDP ratio remains very low and gaps in both rural and urban infrastructure, including in energy, transport,

¹ World Bank, *Beyond Economic Growth*,
<http://www.worldbank.org/depweb/english/beyond/global/chapter4.html>

² Seoul consensus annex 1

communication, water, with respect to regional infrastructure, remain significant bottlenecks to increasing and maintaining growth.

6. We recommend action to overcome obstacles to infrastructure investment, developing project pipelines, improving capacity and facilitating increased finance for infrastructure investment in developing countries, in particular LICs, and, whilst not exclusively, with a special emphasis on Sub-Saharan Africa.
7. Government revenues, concessional and non concessional finance for infrastructure projects play an important role. We also acknowledge the need to further mobilize private sector funding to fill the existing gaps.
8. We have recognized the central role of an enabling environment for both private and public investments, facilitating infrastructure projects financing in many developing countries, particularly LICs. Regional infrastructure projects, particularly in Sub-Saharan Africa, allow economies of scale but, to be successful at the regional level, securing an enabling environment at the national level is necessary.
9. We welcome the proposal of the Infrastructure Consortium for Africa (ICA) to open its membership.
10. We welcome the significant efforts by the Multilateral Development Banks (MDBs) to develop an Action Plan and we agree to consider, before the Cannes Summit, its recommendations to facilitate an enabling environment for infrastructure investment in these countries, including:
 - to develop and strengthen regional Public Private Partnership (PPP) practitioner networks to provide hands-on technical assistance for project preparation and implementation by combining existing platforms;
 - to endorse Principles for Project Preparation Facilities (PPFs) Effectiveness and call for a functional audit of existing PPFs whose purpose would be to advise on possible merger, streamlining or strengthening of existing PPFs;
 - to establish a Global Infrastructure Benchmarking Initiative by the MDBs, on the basis of the Africa Infrastructure Country Diagnostic (AICD) and expanding it globally;
 - to support the establishment of online regional marketplace platforms for sharing information on infrastructure projects and environment, with due consideration of business confidentiality, in order to concretely link project sponsors and financiers;
 - to recognize the value of the Construction Sector Transparency Initiative (CoST) and welcome the scaling up of this initiative, as a way to reduce projects cost and improve transparency.
11. We also welcome the initial recommendations, yet to be finalized, and request that MDBs conclude their ongoing work on the following issues before Cannes Summit :
 - staff incentives to engage in PPP transaction and regional projects, including preparation of regional projects within concessional financing frameworks (e.g. for IDA);
 - greater harmonization of their procurement rules and practices, including mutual recognition of procedures and agreement on a way to address lead Bank issue and exceptional projects;

- project preparation facilities for transformational regional projects which would include merging or expanding existing facilities and tapping concessional funding or other sources available;
12. We also welcome the ongoing examination between the High Level Panel (HLP), the MDBs and the IMF on the extent to which the Debt Sustainability Framework (DSF) retains inappropriate constraints to finance infrastructure projects.
 13. We welcome the contribution of the HLP and ask it to finalize its innovative work under the three work streams responding to its mandate, notably for promoting enabling environments, diversifying sources of funding and identifying sustainable infrastructure projects (without contradiction with regional priorities), to be presented to our Leaders in Cannes. We take note of the set of criteria proposed by the HLP, in close cooperation with the MDBs, for identifying exemplary infrastructure investment projects, with due consideration to environmental sustainability, food security, trade and regional integration.
 14. [After the presentation of the HLP report on October 12, 2011, a paragraph may be added addressing its key recommendations.]

Enabling a growth-enhancing regional and global trade environment

15. Strong and inclusive growth requires improving infrastructure, strengthening the ability of developing countries to trade through greater market access, integration of regional markets and the availability of trade finance. Open markets are essential to economic growth and prosperity, and have lifted millions out of poverty. It is critical to continue rejecting protectionism and to advance multilateral liberalization. The 8th WTO Ministerial Conference offers an opportunity to make progress on these issues.
16. The participation in international trade of low income countries, in particular Least Developed Countries (LDCs), remains low, despite limited progress over the last decade. Based on the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011-2020, calling for a significant increase of the share of LDCs in global trade, the G20 should foster trade capacity and market access for developing countries, in particular LDCs/LICs.
17. [*We recognize that DFQF access, along with simple and transparent rules of origin, can play a major role in increasing trade that supports growth and poverty reduction in LDCs as reflected in the Istanbul Programme of Action for LDCs. In line with the Hong Kong Ministerial declaration, many developed countries already provide full DFQF access to exports from LDCs, others have reached at least 97%. Many developing countries have increased access significantly. Economic analysis by the World Bank and others shows that, although there would be preference erosion for some sectors in some LDCs, DFQF access to G20 markets and simplified rules of origin would provide significant additional benefits to LDCs.*]
18. We share the strong commitment of African countries and other regions to enhance their regional integration in order to increase intra-regional trade and expand their markets. In particular, we recommend:

- technical and financial assistance to African countries and to Regional Economic Communities (RECs) to strengthen their capacity;
 - measures to foster trade, including trade facilitation;
 - the African Union Minimum Integration Plan to support African efforts to rationalise RECs;
 - Aid for Trade for Africa including through enhanced financing of regional infrastructure by MDBs;
 - the development of regional trade corridors that will support improved regional trade infrastructures, regional trade facilitation and expanded intra-regional trade.
19. Trade facilitation is essential for regional integration and we recommend an improved forum for exchange of information on trade facilitation and to build capacities providing a pool of customs officials and trade facilitation experts. We would welcome an invitation from the African Union and the African Development Bank to jointly review progress at their annual meeting. This could include assessing the support we are providing at different levels, including the national level and the Regional Economic Communities and how best to strengthen that support.
20. While reiterating our support for Aid for Trade, we welcome the outcomes of the 3rd Global Aid for Trade Review. Particular attention should be paid to the proposals made to improve the quality of Aid for Trade and collaborating with all relevant bodies to secure clearer results from our Aid for Trade, as well as maintaining the level of support as agreed by leaders at the Seoul G20 Summit. Building on the Review, a more detailed assessment of G20 members' case studies on Aid for Trade, prepared by OECD and WTO, would be important to help for both quality and impact.
21. In addition, we recognize that the availability of trade finance continues to be problematic for many countries and that a significant number of countries have not so far received any trade finance support from the MDBs. During periods of financial turbulence, maintaining the availability of trade finance will be essential in ensuring the resilience of developing countries. Building on the recommendations of the WTO report, we therefore recommend:
- i. the G20 to further consider how best to improve data, including with regard to the existing database on trade finance. This should allow more accurate tracking of trends and monitoring of gaps faced by LICs, including in times of crisis;
 - ii. establishment of a trade finance facility at the African Development Bank, which would mean that all Multilateral Development Banks would then have a trade finance facility in place.

Promoting private investment, job creation and human resource development

22. We will increase our efforts to develop the capacities of the different stakeholders along the value chain on a demand-driven basis, providing them with tools to attract and benefit from international investment for sustainable development and job creation. The report on responsible investment standards provided by the Interagency Working Group (UNCTAD, ILO, UNDP, World Bank Group and OECD) offers policy options on inclusiveness, specificity of guidance, voluntary compliance promotion mechanisms and interoperability of responsible investment standards. Care needs to be taken that indicators and voluntary standards are not abused for purposes of trade and investment protectionism. We welcome in this context the continued monitoring of trade and

investment policy measures by the WTO, UNCTAD, and the OECD as requested by the G20.

23. We welcome the development of the set of preliminary indicators developed by International Organizations to measure the economic value-added and job creation of private investment. We will field test these indicators in at least six self-selected countries on a voluntary basis, leveraging possible synergies with the piloting of the human resource development indicators.
24. We recommend the launch of the challenge “G20 Inclusive Business Innovation” at the G20 Cannes Leaders’ Summit.
25. We highly value the consultation process in place to build an internationally comparable database of relevant indicators of skills for employment. Emphasizing the pivotal role of human resources for development, we acknowledge that the aim of this exercise is only to provide policy makers in developing countries, in particular LICs, with a set of indicators as they find appropriate to help them enhance their national skill development strategies with a view to ensuring that their labor market needs are met.
26. We welcome the progress made in the integration of a self-selected pilot of LDCs and value, in that respect, the commitment made by International Organizations to better coordinate their efforts to support LICs in enhancing their own national skills development strategies. We recommend consideration of a wider roll-out of the program to other self-selected low and middle income countries by late 2012, based on the results of the pilot projects. We also welcome steps towards a global public-private knowledge-sharing platform to promote skills development, and continued efforts to address the skills development needs of women, youth and people with disabilities

Investing in agricultural development

27. It is projected that food production in developing countries will have to double to match the demand as the world’s population is expected to reach more than 9 billion in 2050³. Agriculture is an important driver of broad-based sustainable economic growth and development. Increasing agricultural productivity and expanding the base of agriculture production can contribute to meet future food demand, attract private-sector investment, leverage private sources of capital, create jobs and thus contribute to poverty reduction and to enhancing social stability.
28. Agriculture was neglected for 20 years in development policies. It is time to reinvest this sector and to increase investment through an appropriate combination of Official Development Assistance (ODA), South-South cooperation, public and private investment, domestic resources as well as innovative financing mechanisms. In light of the G20 Agriculture Ministers Action Plan on food price volatility and agriculture, we recommend to strengthen agricultural production and productivity, on a sustainable basis, with special focus on small producers through:

a. research, innovation and dissemination

³ FAO How to feed the world in 2050., 2009.

- i. Agricultural research and innovation are essential to address major challenges to food security (demography, climate change, structural poverty) and promote technology transfers and knowledge sharing. To that end and building upon the G20 conference on Agricultural research for Development in Montpellier, we look forward to the development, with the support of FAO, of a platform for tropical agriculture, to enhance North-South, South-South and triangular innovative partnerships, capacity strengthening and knowledge sharing. We welcome the launch of a global agricultural foresight hub. We see merits in the continuation of the process of information sharing, regarding concrete ongoing experiences of G20 members and elaborating further the ideas generated during the Montpellier Conference.
 - ii. To encourage public and private sector investment in agricultural research in developing countries, we support the implementation of the “Agriculture Pull Mechanisms” initiative, and welcome pilots that embrace an innovative, results-based approach such as “Advanced Market Commitments” for specific applications.
- b. *increase of production*
- iii. The commitment of MDBs to scale up activities related to water, food and agriculture and to support greater coordination under their forthcoming Joint Action plan. We note that this Action Plan will be finalized for implementation over a three-year period and welcome information on the results-based framework and progress to be provided by the MDBs for this Action Plan. We recognize the progress of the Global Agriculture and Food Security Program in providing additional resources for agricultural development in LICs and invite the participation of other interested public and private partners. These efforts will be of particular relevance to capacity building, risk management and mitigation and engagement with the private sector for agriculture, food security and nutrition.
 - iv. We will give special emphasis to instruments integrating smallholder producers, including women, into programs, such as school feeding and World Food Programme’s (WFP’s) Purchase for Progress (P4P) initiative, and public-private partnerships, with special emphasis on projects involving smallholder producers, to place them at the core of food security policies. We will put a special emphasis on gender sensitive agricultural plan and policies.
 - v. The development of a PPP Platform to maintain a high level dialogue, in particular with the World Economic Forum (WEF), leading to pilot initiatives on agriculture, food security and nutrition in response to the needs expressed by the countries concerned.
 - vi. Encouraging all countries to uphold the Principles of Responsible Agricultural Investment (PRAI) as agreed in Seoul. We support the on-going extensive consultations on these principles launched in the framework of the CFS. We encourage the coherent work being done by the International Organisations on the “Voluntary Guidelines for Responsible Governance of Tenure of Land, Fisheries and Forest” and the PRAI. We support field testing these principles on a voluntary basis through pilot projects, such as those funded under the Policy and Human Resources Development Partnership Program, drawing attention to ownership,

capacity and institution building in low income countries, monitoring, smallholder producers, food and nutrition security and environmental sustainability.

- vii. We support comprehensive approaches and mechanisms to agricultural investments along the entire agricultural value chains such as those under the Comprehensive Africa Agriculture Development Program (CAADP) as a vehicle to link small holders and business to markets. These approaches should in particular encompass: improved productivity through development of relevant facilities, strengthening human capacity and facilitation of access to agricultural inputs, overcoming vulnerability through development of risk management tools for smallholders; ensuring access to credit for small and medium enterprises in agribusiness; reduction of post harvest losses; promoting intra-regional trade and transport; and improving infrastructure and logistics, including cross-border procedures.

Fostering the mobilisation of domestic resources

29. Among other domestic resources, taxation provides governments with the funds needed to invest in development, relieve poverty and deliver public services. Taxation provides fiscal responsibility and sustainability that is needed to promote growth and to reduce reliance on external flows (particularly development aid) in the long term. It also improves growth resilience to external shocks, offering fiscal space to finance counter-cyclical economic policies.
30. Strengthening domestic resource mobilization is not just a question of raising revenue: it is also about designing a tax system that promotes inclusiveness, encourages good governance and accountability of governments to their citizens, matches society's views on appropriate income and wealth inequalities and promotes social justice. Tax system design is also closely linked to domestic and international investment decisions, including in terms of transparency, anti-corruption and fairness, as it may serve to improve the framework for increased private investment.
31. Low income countries face a number of domestic and international challenges to increase their tax revenues such as small tax base, low levels of per capita income, domestic savings and investment or weak capacity. Though many economies have made noticeable progress in collecting taxes in the past decade, half of sub Saharan African countries mobilise less than 17% of their GDP in tax revenues, below the minimum level considered by the UN as necessary to achieve the Millennium Development Goals. Several Asian and Latin American countries fare little better⁴. Moreover, in Africa, the increase has been primarily driven by resource-related tax revenues in oil-producing countries⁵.
32. Illicit capital flows hamper growth potential and also affect domestic resource mobilization. These are facilitated by weak tax systems, particularly at risk to abusive tax practices and non cooperative jurisdictions. Addressing these challenges requires joint efforts from both developed and developing countries.

⁴ A Report from the International Organisations mandated by the G20 to the support the development of more effective tax systems

⁵ OECD, African Economic Outlook 2010

33. Recognizing the centrality of domestic resource mobilisation as the cornerstone of state building, social inclusiveness and better governance, we commit to deepening international cooperation to support capacity building of tax administrations and systems in developing countries. We will ensure that their needs are prioritized, in particular through encouraging their participation or dialogue in relevant international and regional tax organisations and programmes.
34. Transparency and accountability are critical elements of domestic resource mobilisation, aid assistance and economic governance. Improved transparency makes non-compliance more difficult both domestically and externally and thus enhances the integrity and credibility of the tax system. Developed and developing countries, as well as Multinational Enterprises (MNEs), should seek greater transparency and mutual accountability on the content and impact of fiscal policies and practices. This mutual accountability and transparency encompasses donor countries, recipient countries and private companies.
35. We urge MNEs to improve transparency and full compliance with applicable tax laws and we welcome the recently launched coordinated programme by international and regional organisations to assist developing countries in the drafting and application of their transfer pricing legislation, on a demand-led basis.
36. Following the example of some G20 countries, we encourage other members to explore ways of developing voluntary standards on the disclosure of payments to governments by MNEs. In this context, recalling the 2009 G20 Pittsburgh Summit Communiqué, we support voluntary participation in the Extractive Industries Transparency Initiative (EITI).
37. We reiterate the importance of our commitment to deal effectively with tax havens and non cooperative jurisdictions including the fight against illicit capital flows considering their impact on development. We call on all relevant actors to strengthen and enforce consistently their procedures and policies against non cooperative jurisdictions.
38. We encourage countries to join the Global Forum on Transparency and Exchange of Information in Tax Purposes. We will seek to provide appropriate technical assistance to developing countries when requested. We urge the Global Forum on Transparency and Exchange of Information for Tax Purposes to offer a platform for IOs to coordinate their technical assistance activities in this area.
39. We welcome the fact that many G20 countries have or intend to sign the Multilateral Convention on Mutual Administrative Assistance in Tax Matters and encourage other jurisdictions to consider signing this Convention.

Building resilience and fostering a sustainable and shared growth

40. To be sustained, prosperity must be shared. To achieve more inclusive growth and in the context of increasing risks (macroeconomic instabilities, price and currency volatility, environmental risks, climate change, resource scarcity, natural disasters, growing inequalities, etc.), there is a need to develop mechanisms to mitigate risks, prevent future shocks, offer better protection of the most vulnerable and ensure that growth paths chosen are environmentally sustainable and financially viable.

Ensuring food security by addressing price volatility and risk management

41. Excessive agricultural price volatility threatens food security in the most vulnerable countries. The food crisis of 2007–2008 and the subsequent rioting in some developing countries provided dramatic proof of this. Therefore, there is a need to provide better protection for the most vulnerable populations against excessive price volatility.
42. We commend the work of the MDBs on Risk management Tools and Instruments and share their assessment on the importance of contingent financing for exogenous shocks, the increased demand for instruments to help manage shocks, the need for a holistic approach to risk management, with capacity building and customized applications.
43. To cope with food insecurity related to excessive prices volatility, we recognize the need to improve transparency on agricultural markets, in particular through the Agricultural Market Information System (AMIS). We also acknowledge the need for mainstreaming risk management in agricultural policies, including appropriately regulated market-based risk management tools that can help at both national and households' levels.
44. We welcome the African Union/NEPAD roadmap on the integration of risk management into Comprehensive Africa Agriculture Development Programme (CAADP) national and regional investment plans and encouraged the development of a pilot project involving interested countries and regions.
45. We support efforts to set up a risk management advisory mechanism, involving multilateral, regional and national development banks and agencies, to enable information and best practices sharing, help mainstream cost effective, non-market-distorting risk management in developing countries agricultural development policies, and provide support to pilot programs on the basis of expressed interest by developing countries. This mechanism would also help countries to set appropriate strategies, ensure training and capacity building, and eventually support countries in negotiating access to adapted instruments. We consider the MDBs and donors coordination meeting held in Washington on 22 September 2011 as an important milestone towards establishing such a mechanism.
46. We recommend further exploration by multilateral, regional and national development banks and agencies, of the impediments to the use of existing risk management facilities. Furthermore, we will recommend the implementation and scaling-up, in connection with the private sector as appropriate, of counter-cyclical instruments and mechanisms, such as contingent credit lines, catastrophe risk financing instruments and countercyclical loans of Agence Française de Développement; of crops insurance, such as the mechanism of the Investment and Foreign Trade Bank in Argentina; of weather index insurance and risk management schemes, such as African Risk Capacity Project developed by the AU; and of guarantee mechanisms to facilitate contract farming.
47. We support ongoing initiatives to expand innovative risk management tools, such as the IFC Agricultural Price Risk Management product, to Sub-Saharan Africa, and North Africa and the Middle East, and to provide encouragement to the development of similar tools by other multilateral and regional development banks.

Nutrition and humanitarian access to food supply

48. In the Horn of Africa, the severest drought in 60 years has struck 12.4 million people and now people especially children are suffering from a severe famine. In the “global village”, this situation is not acceptable. Countries such as Ethiopia and Kenya, government policy reforms and concrete actions taken by both governments and the international community, including emergency food reserves, have enhanced food security, reduced vulnerability and helped mitigate the worst effects of the drought.
49. Bearing in mind the multiple causes of food and nutrition insecurity, we confirm our commitment to the movement for scaling-up nutrition through a combination of direct nutrition interventions and the incorporation of nutrition in all relevant policies (gender, agriculture, health, food security, research, poverty reduction, social protection, education), and we agree to provide coordinated support to region, country and community-led strategies and programmes.
50. We underline the importance of the decisions made by G20 Agriculture Ministers on non commercial and humanitarian food assistance in the Action Plan on food price volatility and agriculture.
51. We see regional or national emergency food reserves as one of the possible answers to mitigate the impact of food crises. In that view, we express appreciation for the feasibility study led by WFP, requested on 23 June 2011 by Ministers of Agriculture in their Action Plan on Food Price Volatility and Agriculture. We welcome the development of a pilot project led by Economic Community of Western African States (ECOWAS) and its member countries for a targeted regional emergency humanitarian food reserves system based on physical and financial mechanisms to complement existing national food reserves, consistent with annex II to the WTO agreement on agriculture. We welcome the launch of an inclusive process to develop a code of conduct for responsible emergency food reserves management.
52. We support initiatives such as forward purchasing, forward positioning and mainstreaming cost-effective risk management in international food assistance, and further developing a comprehensive risk hedging strategy for international humanitarian agencies, in particular WFP.

Cushioning vulnerable population from shocks through social protection systems

53. Social protection policies are crucial in combating poverty, reducing inequalities, improving living standards, enhancing social cohesion and stability, and accelerating the achievement of the MDGs. They also favour productivity and an inclusive, sustainable and balanced economic growth, while functioning as an automatic macroeconomic stabilizer in times of crisis and enhancing the resilience of individuals and societies to shocks.
54. We recommend intensifying measures to promote resilient growth in developing countries, particularly LICs, by supporting the implementation or expansion of national social protection floors, defined by the countries themselves according to their individual circumstances, including on demand-driven basis through coordinated North-South, South-South and triangular cooperation. Recognition should be given to the

complementary role of the private sector and civil society in developing and implementing social protection programs, the need for adequate and sustainable social protection financing in LICs and the importance of measures to improve the timeliness and accuracy of global poverty monitoring by multilateral organisations, including the UN Global Pulse initiative.

55. We recommend the establishment of an effective knowledge sharing platform before the Mexico Summit, to be hosted by, or in cooperation between, relevant international organisations, and building on existing mechanisms as appropriate, to facilitate the generation and transfer of knowledge on effective social protection approaches, drawing particularly on the experiences of middle-income countries for the benefit of LICs. The knowledge sharing platform should give particular attention to knowledge sharing with respect to (i) the financial sustainability of social protection mechanisms, (ii) the conditions for progressive realisation of comprehensive social protection coverage and (iii) the particular challenges faced by fragile states. It should also serve as a demonstration of concept for a broader G20 knowledge sharing for development platform.
56. We recommend that the World Bank and the ILO, in consultation with other relevant international organisations, that provide social protection financing and technical advisory services to developing countries, develop before the Mexico Summit a mechanism to improve inter-agency coordination in support of country-led social protection measures, taking into account existing institutional and cross-institutional policy frameworks and coordination arrangements.

Fostering migrants' remittances

57. A significant source of external financing, migrants' remittances can play a counter-cyclical role and significantly improve income security and resilience to adverse shocks of vulnerable populations. A reduction of remittances' costs can have high potential development impact: a 5% reduction of the global average cost of remittances' flows would translate into an additional US\$ 15 billion/year for recipient populations⁶.
58. We reaffirm that transfer of remittances, as private flows, should be facilitated, through the significant reduction of their cost for senders and receivers. The G20 can play an important role in this area since half of global remittances flows are sent from or received by G20 members.
59. We therefore recommend to the leaders the adoption of a quantified target with the aim of bringing down the global average cost of remittances to 5% by 2014. This being a collective effort, we encourage others to join us. To this end, we have developed a toolkit of measures that have proven to be effective in reducing remittances costs.
60. We will monitor progress on the reduction of the global average cost through the World Bank, including on actions undertaken in reaching the quantitative target.

Support financial inclusion and the work of the GPMI

⁶ World Bank, Trends in the Average Cost of Migrant Remittance Services, June 2010

61. An estimated 2.7 billion working-age adults globally do not have access to formal financial services. Because financial inclusion supports balanced economic growth, the G20 Leaders decided in Pittsburgh to set in motion the G20's commitment to financial inclusion in developing countries. In Seoul last year, the Working Group was expanded into a more inclusive platform, the Global Partnership for Financial Inclusion, allowing non G20 partners and other relevant stakeholders to join the work, bringing in invaluable expertise and experience from the ground.
62. We take note of the work of the GPFII in implementing the Financial Inclusion Action Plan and look forward to the delivery of planned outputs to the Leaders in Cannes, in particular to:
- the lessons emerging from the thorough case-study achieved regarding the implementation of the nine Principles for innovative financial inclusion ;
 - the progress report and thorough case studies concerning the financial inclusion-related work of the main standards-setting bodies ;
 - the presentation of a small and medium enterprise (SME) Finance Policy Framework conveying precise recommendations for SME Finance and the subsequent launch of the SME Finance Forum as an inclusive knowledge sharing platform for SME finance data, research and experiences ;
 - the implementation of the specific recommendations to support for women-owned SMEs and agricultural SMEs, and the launch of the SME Finance Compact to support a pilot set of developing countries committed to implementing the framework ;
 - the results of the stocktaking exercise and gap analysis regarding financial inclusion data, the implementation of key indicators and the general framework for data measurement and the recommendations toward the establishment of national financial inclusion targets.
63. We encourage the GPFII to pursue its work of analysis, knowledge sharing and peer learning. We recommend participation in the diffusion of its policy recommendations and guidelines, and encourage non G20 countries to join the GPFII as partners or members of the various pilot groups.

New ways of cooperation: building on the Seoul Consensus shared vision for development among G20 members

64. Our diversity and complementarity is an asset that boosts our capacity to promoting development. We embrace diversity and encourage different approaches based on each country's situation and specificities. As the G20 gathers countries with distinct experiences, we know that a "one size fits all" approach is not the answer to the development challenge. We will mainstream these rich and diversified experiences through knowledge sharing platforms and networks.
65. Knowledge sharing is a distinct tool for development cooperation. We welcome the establishment of Knowledge Sharing networks or platforms in the areas of social protection, development of skills, and tropical agriculture technologies and productive systems. As our mainstreaming effort in other pillars, our initiative in Knowledge Sharing will be guided by the best practices and principles agreed with our International Organization partners.

66. We are committed to promoting triangular cooperation, which can bring together different expertise and resources to deliver a more efficient answer to each country's needs. This triangular approach also facilitates the sharing of technical experience and know-how of emerging economies that have recently experimented rapid growth and development.
67. We support the efforts to enhance aid effectiveness through commitment on priority areas such as transparency, mutual accountability, a focus on achieving results and sustained impact on development outcomes. In this respect, we note the report on "Monitoring Progress against G20 commitments on Food Security" consolidated by L'Aquila Food Security Initiative (AFSI).
68. We recognize the significance of the upcoming 4th High Level Forum on Aid Effectiveness, to be held in Busan, Korea from 29 November to 1 December as a valuable opportunity to reenergize global momentum for MDGs and to strengthen development partnership in a changing global environment. We expect that Busan High Level Forum on Effectiveness could contribute to establishing a new paradigm of development which focuses on a more inclusive partnership and addressing broader issues of development effectiveness.
69. We agree to build on an innovative global development partnership that will focus on concrete and sustainable results, deepening our engagement with the private sector and civil society. Development is a common concern and duty to all G20 countries. We strengthen our resolve to facilitate and leverage the impact of development cooperation on the eradication of poverty and remind the urgency with which our commitments must be implemented.

Next steps: Work plan for the implementation of the Multi Year Action Plan on Development

70. In line with the Seoul principles, the G20 remains committed to addressing key challenges for developing countries, particularly LICs, in building growth and resilience, in a way which builds on our knowledge and adds value. We should take into account lessons learned from our first year of work by focusing on a small number of high priorities, while monitoring our past actions. We welcome the intention of the forthcoming Mexican presidency to prioritize key issues it wishes to pursue and to propose a forward work plan with a view to maximum progress on the Seoul Multi-Year Action Plan in the coming years, taking into account the progress achieved in other activities of the Multi Year Action Plan during the French presidency⁷ ./.

¹⁴ Progress reports of each pillar, submitted under the responsibility of co-facilitators, are available on the website [to be determined]
