

Business 20 (B20) is the official business dialogue of the G20. Each G20 presidency appoints a B20 presidency as an integral part of the G20 process, to speak with a single voice for the entire G20 business community. Like the G20, the B20 operates without a permanent secretariat. Its rotating presidency is responsible for its agenda and organisation.

On September 4 2016, the leading German business associations BDI, BDA and DIHK took over the **B20 presidency** for a year. Dr. **Jürgen Herhaus** will lead the process as the **B20 Chair**.

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12 September 2016

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## B20 Role & Activities

### I. Recommendations

- The B20's foundation is the development of recommendations to the G20 in thematic taskforces and cross-thematic groups that are constituted by business representatives and experts from the entire G20.
  - Identify areas where G20 action is relevant and crucial
  - Consolidate interests/positions of businesses from entire G20
  - Draft policy papers to the G20 with concrete policy proposals and calls for actions
- Under B20 Germany there will be the following working settings, which will each draft thematic policy papers with recommendations and policy proposals to the G20 :

#### **Taskforces:**

- Trade and Investment
- Energy, Climate & Resource Efficiency
- Financing Growth & Infrastructure
- Digitalization
- Employment & Education

#### **Cross-thematic Groups:**

- Responsible Business Conduct & Anti-Corruption
- SMEs

### II. Advocacy

- The B20 presidency is responsible for global public and political representation of the joint business recommendations.
  - Participation in G20 working/study group and taskforce meetings.
  - Statements at Sherpa meetings and bilateral meetings with Sherpas from the entire G20.
  - High-level exchange with G20 minister meetings.
  - High-level international advocacy through the Business Advocacy Caucus constituted by international CEOs and principals of major national business associations in the G20.
  - Media activities (and B20 events).

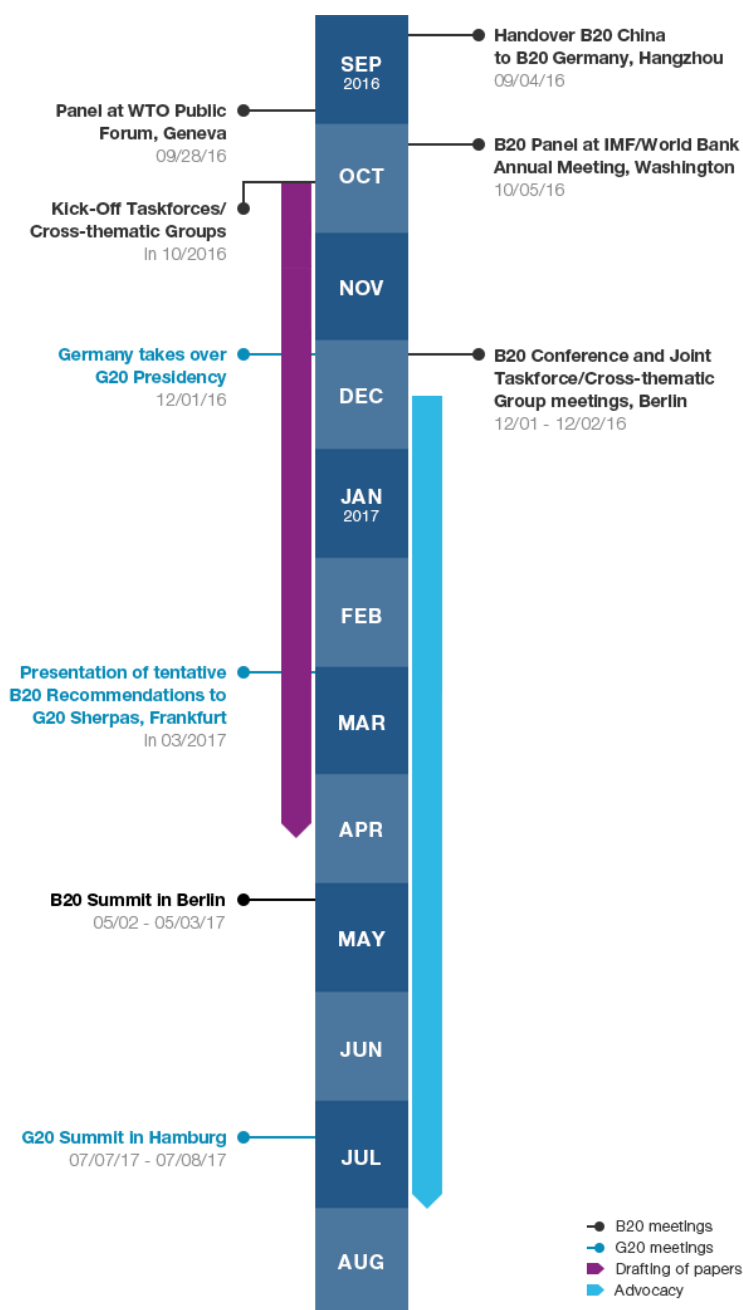
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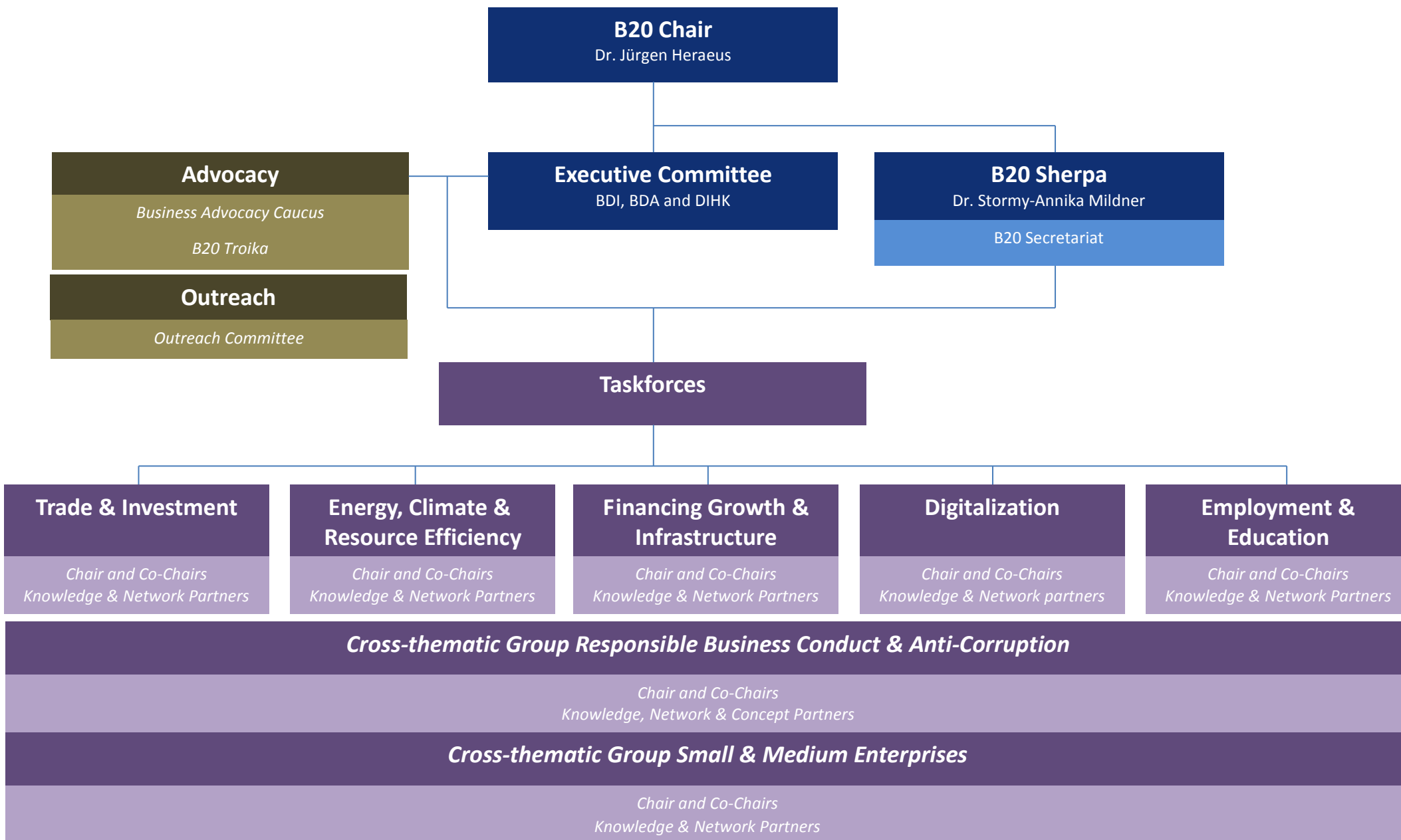
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### III. Events

- The B20 involves a series of B20 events with participants from politics, business and civil society.
  - Hand-over of B20 presidency to B20 Germany at B20 China Summit on 4 September 2016 in Hangzhou
  - B20 Panel at the WTO Public Forum on 28 September 2016 in Geneva
  - B20 Panel at the IMF annual meeting on 5 October 2016 in Washington, D.C.
  - B20 Anti-Corruption Conference on 17 November 2016 in Buenos Aires
  - B20 Conference on 1/2 December 2016 in Berlin
  - B20 Summit on May 2/3 2017 in Berlin; participation of the German Chancellor and other members of government is expected.
  - Taskforce/cross-thematic group meetings or conference calls will take place monthly from October 2016 to March 2017
  - Further workshops, panels, conferences etc. tbd



## B20 Germany Structure



## Glossary

**B20 Chair:** The B20 Chair leads the B20 process, sets the main guidelines, and represents the B20 vis-à-vis politics, the international business community as well as the public at large.

**Executive Committee:** The Executive Committee is constituted by the presidents of BDI, BDA and DIHK. The Executive Committee takes fundamental decisions concerning B20 by consensus and instructs the B20 Sherpa.

**B20 Sherpa:** The B20 Sherpa is responsible for operational management of the B20 presidency and supports the B20 Chair. She also reports to the B20 Executive Committee and executes its orders. She supplies basic orientation for the B20 recommendations and oversees the process of preparing policy papers. The Sherpa is furthermore responsible for the organisation of B20 events, for the advocacy strategy, and for general communication. She also supplies basic orientation for the B20 recommendations and oversees the process of preparing policy papers. The work of the B20 Sherpa is supported by a **B20 Secretariat** (policy managers, project managers and project assistants) and Mr. Robert Milliner, the 2014 B20 Sherpa during the Australian Presidency, who will act as a Special Advisor to the Executive Committee.

**Business Advocacy Caucus:** The *Business Advocacy Caucus* (BAC) comprises about sixty CEOs and business organisation leaders from the G20 states. The members will be appointed by the B20 presidency. The main task of the BAC is public and political advocacy of the B20 recommendations to enhance the visibility and legitimacy of the B20.

**Outreach Committee:** The representatives of the other G20 Engagement Groups (C20, L20, S20, T20, W20 and Y20) form a joint Outreach Committee to ensure the inclusivity and legitimacy of the B20 process.

**B20 Troika:** The Sherpas from B20 Germany, B20 China and B20 Argentina form an advisory committee to ensure the continuity and coherence of the B20 process.

**Taskforces:** The *Taskforces* (TFs) develop recommendations and concrete policy proposals. Their members are senior representatives of businesses, associations and organizations. Each TF has a **Chair** who chairs its sessions, guides the drafting of policy papers and presents the TF's recommendations in public and political forums. Each chair may be assisted by several **Co-Chairs**. Chairs and Co-Chairs are appointed by the B20 presidency; they are leading business figures from the entire G20, such as CEOs, supervisory board members and association principals.

**Cross-thematic Groups:** The Cross-thematic Groups (CTGs) have the same structure and working processes as TFs. They also draft policy papers with recommendations and concrete policy proposals to the G20. SMEs, responsible business conduct and anti-corruption are per se cross-thematic issues. In order to take these into account across all B20 recommendations and to have expertise from all thematic areas represented in CTGs, simultaneous membership in a TF and a CTG is encouraged. However, stand-alone memberships in CTGs are also possible.

**Knowledge Partners:** *Knowledge Partners* are consulting firms that fulfil important tasks in the B20. They work with the B20 Secretariat and representatives of the TF *chairs* to prepare B20 policy papers – under the oversight of the Secretariat and on the basis of the discussions in the TFs and CTGs. Knowledge partners also supply inputs (such as econometric calculations and case studies) and support the B20 Secretariat in coordination processes (for example consolidating submissions from TF members, organising telephone conferences and meetings) and preparation of contributions (for example overview of G20 and other global initiatives, relevant statistics, problem analysis etc.).

**Network Partners:** *Network Partners* are international business organisations and networks. They provide essential support to TFs/CTGs by feeding in their expertise as well as by engaging their broad international constituency in TF/CTG activities, and disseminating recommendations. The *Network Partners* also support TF/CTG advocacy activities and may participate in organising B20 events.

**Concept Partners:** *Concept Partners* are initiatives or organizations that are experts and stakeholders for specific issues. They provide their expertise in the drafting of recommendations and play an important role in setting up the agenda of the respective TF/CTG.

## Introduction to Taskforces/Cross-thematic Groups

### Trade & Investment



The global exchange of goods, services, capital, and knowledge is an important pillar of our prosperity. Specialization increases productivity. Open markets lead to greater innovation. Trade and investment allows companies to reach out to new customers and realize economies of scale. Consumers benefit from a greater product variety and lower prices. Our economic well-being depends on trade and investment.

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Since the year 2000, the global volume of foreign direct investment has increased threefold. But businesses face many challenges. With six to seven percent annually, world trade growth outpaced growth of the global economy in the past. Today, growth in world trade lags far behind the historical trend. According to the International Monetary Fund (IMF), world trade grew by just 2.8 percent in 2015.

Protectionism is on the rise, also in G20 countries despite the agreed protectionism standstill. Trade liberalization is becoming more and more unpopular in many countries around the world, with anti-globalization movements gaining momentum. The way we trade changes every day. Digital trade, for example, reduces transaction costs, facilitates participation in global value chains, improves market access, and produces clear efficiency gains.

But our trading system and trade rules do not sufficiently reflect the changing nature of trade. We need rules for trade and investments of the 21st century. We need to curtail protectionism. We need to more fully integrate those countries into the world economy, which have not yet fully benefitted from globalization. We need to ensure that preferential trade agreements go hand in hand with the multilateral trading system. We need to improve investment policy-making and market access. And we need to address the growing opposition to globalization in our societies. We know of our responsibility. Business is ready to play its part.

### Energy, Climate & Resource Efficiency



Prices for energy and many other natural resources are currently low. This should not fool us, however. Natural resources are not endless. Climate change is a reality we have to deal with.

Our economies have already come a long way in dealing with these challenges. Without doubt, the agreement in Paris is a positive step on the road towards a

global response to the problem of climate change, but words must now be followed by action. This is no time for complacency. We need to further curtail climate change. And our economies need to adapt further and become more climate change resilient and resource efficient while at the same time ensuring competitiveness, economic growth, and jobs.

A crucial key to this is more innovation in particular by industrial companies. We need to improve energy efficiency, production and infrastructure. Moreover, many countries around the globe have already embraced the concept of the circular economy. Instead of “make, use and dispose”, in a circular economy we “recover and regenerate”, keeping resources in use for as long as possible. We need to think globally now.

The G20 brings stakeholders together and provides an opportunity to find common ground on better use of energy, climate change policies and resource efficiency. The B20 stands ready to assist the G20 in its efforts.

## Financing Growth & Infrastructure



Global economic growth has been sluggish for several years. While in advanced economies a heightened uncertainty and setbacks to confidence have dampened growth, the economic powerhouses of the emerging economies have lost steam not least because of declining oil and commodity prices.

In 2014, the G20 had agreed to increase global growth by at least two percentage points over the next five years. We are far from reaching this goal. Many countries face considerable investment gaps in infrastructure, research and development, as well as education. While it is vital to ensure sound public finances, we also need to strengthen the basis for future economic growth and jobs.

The global economy has come a long way since 2008, when the global financial system stood at the brink of collapse. The financial system has become more resilient. But work remains to be done, for instance on global regulatory coherence. The International Monetary Fund (IMF) finds that global financial stability risks have risen since October 2015. Financial conditions have tightened, risk appetite has decreased, credit risks have risen, and balance sheet repair has stymied. Digital, real-time, and networked technologies, products and services, interconnected systems and devices – the digitalization of financial services offers opportunities but also embodies new risks.

How can we set the right frameworks for financial systems that are resilient while fostering growth in the real economy? How can we induce much needed investment? How can the G20 improve tax cooperation and certainty to foster business development? These are just some of the many questions, for which the B20 will aim to provide solutions.

## Digitalization



The fourth industrial revolution – digitalization – changes how we produce, how we work, and how we trade with each other.

The “internet of things and services”, or Industrie 4.0, creates extraordinary growth opportunities through innovation and efficiency gains. Our economies, our companies, our machines are becoming increasingly interconnected.

Smart homes, smart factories, smart transportation systems, smart cities – digitalization offers great potential for sustainable, qualitative economic growth and jobs.

However, it is also not without challenges, raising many questions. How do we treat data and data flows? How do we deal with security threats both to physical infrastructure as well as the new digital systems? How do we guarantee interoperability of new technologies worldwide? How can we ensure that our workforce has the skills required by an increasingly digital economy? And how can we bridge the digital divide in the global economy and within countries?

For the first time, a B20 taskforce will focus on digitalization. It is high time that the international business community works together with the G20 to develop solutions to the challenges of a digital world economy.

## Employment & Education



Employment and Education have become core topics of the G20. In recent years G20 leaders have recognized that more must be done to address unemployment, raise labour force participation, improve the education and qualification of the work force and create framework conditions which are conducive for quality jobs to ensure the G20's global of sustaina-

ble economic and financial development.

In 2015, the number of globally unemployed people reached 197.1 million, an increase of 1 million from 2014, and 27 million above the preglobal financial crises level. The current rate of youth neither in education, nor in employment, or training (NEET) ranges from 10% to well over 30% in G20 countries, and has been in rising in several G20 countries for the past few years. These data illustrate the employment challenges currently facing G20 countries, although all countries are interested in how to create more job opportunities and improve job quality so as to obtain sustainable and balanced economic growth.

The B20 Germany Employment and Education Task Force will continue to discuss the issues related to improving framework conditions for more and better employment opportunities and allocating human resources efficiently. Tackling this multi-layered issue calls for coordinated actions between governments and the business community.

B20 Germany aims to address challenges associated with rapid technological development, the reskilling needed for rapidly shifting job markets, and the structural reforms needed for more and better employment opportunities. Better employment opportunities also present themselves as great facilitators for higher rates of growth. Furthermore, the B20 Germany Employment and Education Task Force will work intensively on the issue of working conditions in global supply chains since the German government will place this topic on the G20 agenda.

The B20 will work on strengthening the implementation of international commitments such as the ILO Tripartite Declaration of Principles concerning Mul-

tinational Enterprises and Social Policy, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights so as to ensure that global supply chains contribute to jobs, growth, and work opportunities.

## Responsible Business Conduct & Anti-Corruption



To raise standards of living economic growth is indispensable. Job creation, training and education, innovation and technology development – business plays an integral part in improving living conditions around the globe. Foreign direct investment can positively contribute to local economic development.

Around the world, countless companies are committed to responsible business conduct on social and environmental fronts, improving health and safety at work, living conditions, society, environment, and consumer welfare. More and more companies are integrating this concept in their value chains.

An important aspect of responsible business conduct is fighting corruption. Corruption reduces efficiency and increases inequality. It distorts the efficient allocation of resources. It raises the costs of doing business. It undermines the trust in governments and erodes the rules of law.

According to the World Economic Forum the cost of corruption equals more than five percent of global GDP (US\$ 2.6 trillion). Much has already been done to fight corruption. But we can do better. B20 Germany thus decided to establish a Cross-thematic Group on Responsible Business Conduct and Anticorruption this year.

How can we ensure transparency in government procurement? How can governments adapt administrative procedures and customs transactions to the age of digitalization? These are just two of the questions we want to tackle under Germany's B20 Presidency.

## Small and Medium Enterprises



Small and medium-sized enterprises (SMEs) represent the vast majority of enterprises worldwide. They are an essential pillar of innovation, economic and social progress as well as job creation. At the same time, they face a multitude of challenges, among others:

- access to finance
- complex regulatory business environment
- shortage of skilled labor in a more and more digitalized economy
- access to markets abroad / integration in global value chains

These concerns have been increasingly accounted for by many governments. But they need to do more. How can SMEs be further empowered? How can a better participation of SMEs in global value chains be facilitated? Specific attention also needs to be given to the implementation of SME-friendly regulations and agreements as well as ensuring full access to the financial markets. The G20 can and has to contribute to a level-playing field that enables SMEs.