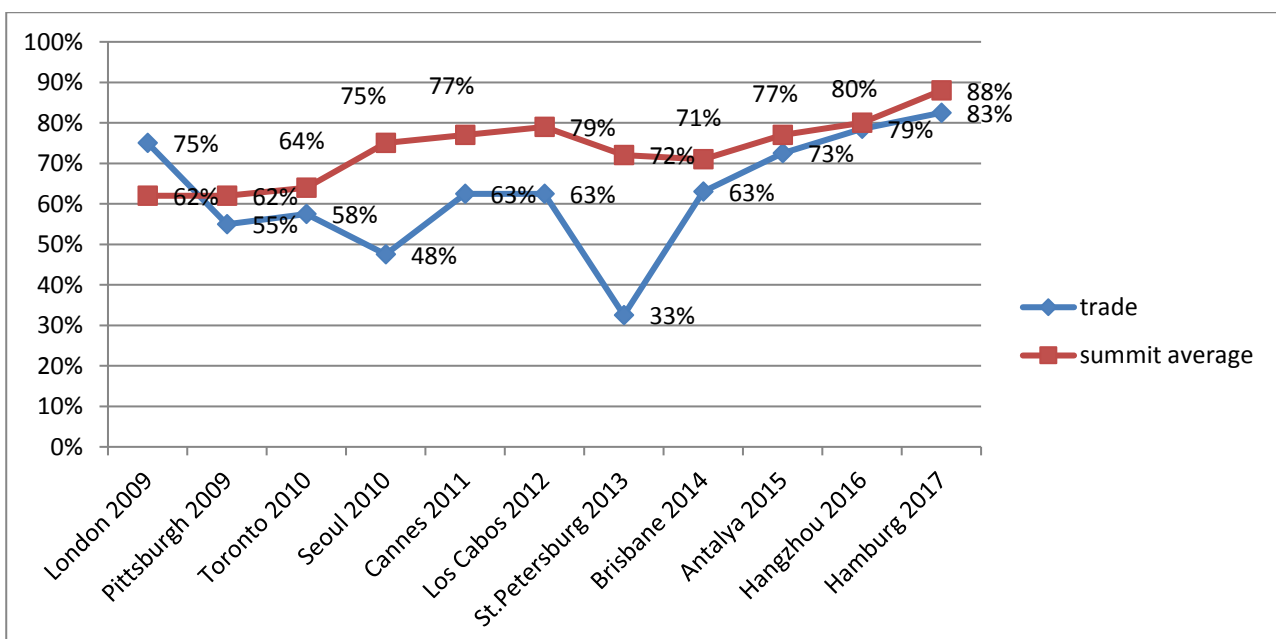


## The G20 2017 Hamburg Summit commitments compliance scores a historical height

The G20 13<sup>th</sup> Summit will take place on 30 November – 1 December 2018, in Buenos Aires, Argentina. In the context of the global governance system crisis and growing tensions, especially on the fight against protectionism and climate change, many representatives of both academic community and political and economic elites are concerned that the G20 leaders will not be able to agree on decisions in the key areas of cooperation. The WTO November 2018 Report on G20 trade measures indicated a significant increase in the number and coverage of trade-restrictive measures. The level of optimism is also lower because in 2018 for the first time in the history of the G7, the OECD and APEC member countries did not agree on the final documents of the G7 and APEC summits and the annual OECD ministerial meeting.

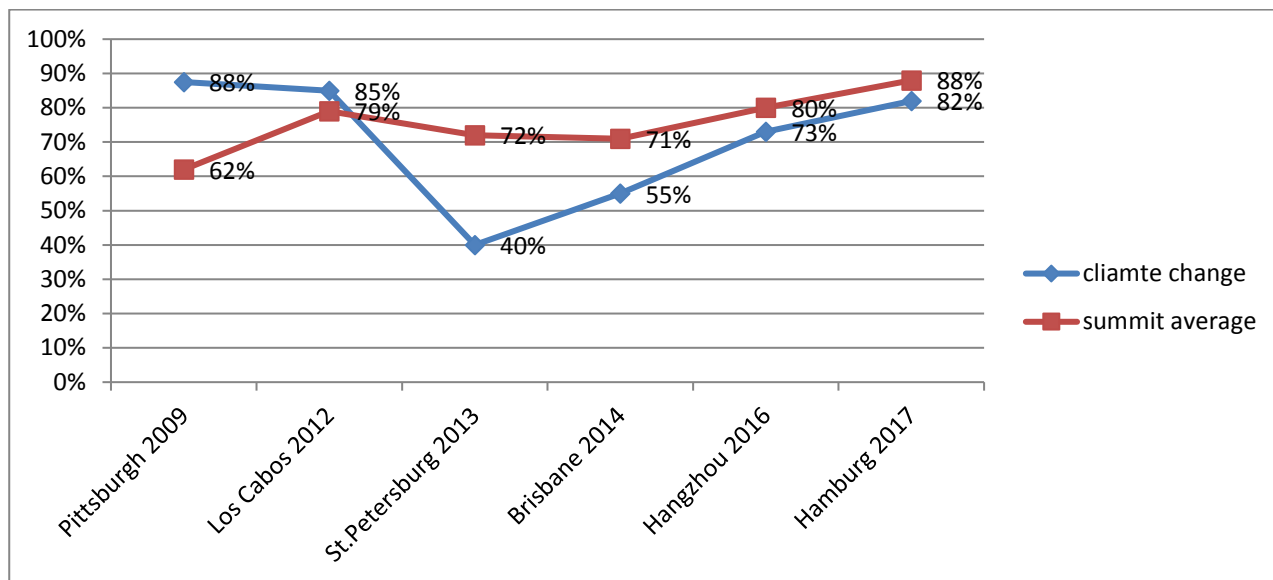
Trade and climate change became problematic issues for the G20 already in 2017 during the German presidency. As a result, there was no traditional G20 commitment to rollback and standstill protectionist measures in the communiqué and for the first time the role of legitimate trade defence instruments was recognized. This reflects the position of the US administration and the intention of some other member countries to use trade instruments to protect national economies. On climate change nineteen members expressed their commitment to the Paris Agreement, while the communiqué documented the withdrawal of the United States from the Paris Agreement and the refusal to fulfill their nationally determined contributions. Such an obvious crisis, however, has not resulted in a significant drop in compliance level for the G20 Hamburg commitments on trade and climate change.

On trade the G20 committed both to fight protectionism and introduce liberalizing measures, G20 members delivery on the second part resulted in the relatively high compliance level of 78%. (picture 1).



Picture 1 – Compliance level dynamics for trade commitments and summit average

High compliance scores were also registered for the climate change commitments. Compliance with the commitment on reduction of greenhouse gas emissions was scored 80%, compliance with the pledge on climate change adaptation and resilience reached 83%. (picture 2) Thus, despite serious tensions and the US withdrawal from certain commitments, the G20 managed to make progress in climate change agenda.



Picture 2 – Compliance level dynamics for climate change commitments and summit average

Average compliance score for 2017 G20 Hamburg Summit is 87%, the highest score registered yet (see Table 1 for a full break down of the scores by commitments and the members). For the majority of commitments compliance level reached 80%. The maximum score (100%) was achieved for the decisions on BEPS and Basel III. Full compliance with these decisions proves that G20 members commitment to implement reforms they agreed and shows success in one of the G20 priority cooperation areas.

The compliance level of 90% and higher was registered for commitments on ensuring the conditions for the economy digitalization (95%), improving the health systems functioning, including through HR development (98%), developing an inclusive business environment (90%), developing a fair international tax system (98%), reducing waste (environmental protection) (90%) and attracting investment to and participating in regional and international sustainable energy initiatives (93%). All these areas of cooperation were prioritized by the German presidency and constitute the core of G20 agenda.

In the context of ongoing economy digitalization the G20 complied well with their pledges on development of ICT skills and technologies in rural areas (83%) and development of digital and financial literacy (88%).

The German presidency prioritized sustainable development and gender equality, and the G20 members complied with both. The performance on the commitment to implement Agenda 2030 on national level as well as to help the developing countries in achieving their goals was scored at 88%. The compliance to ensure women's access to labour markets through education, infrastructure development and social protection was scored at 85%.

The lowest compliance scores were registered for the commitments in refugees' protection and enabling their safe return (65%) and fight against corruption in public administration (70%). Thus progress here is limited and cooperation should be sustained.

To sum up, overall compliance results reflect the prevailing trends in the world economy development: focus on digitalization, compromises in the field of climate change, persistent problems in international trade, lack of viable solutions to the refugees problem. They also confirm that the Hamburg compromises yielded sound results, although at the cost of diluting the G20 fundamental pledge on fighting protectionism and climate change.

Despite growing challenges and tensions, the G20 remains a leading forum for global economic governance, a key institution for coordinating the members' interests and decision-making in priority areas of cooperation. Russia should use the institute's potential to participate in policy-making on most important global economic issues and achieve the goals of national economic development. Implementation of the G20 key economic commitments will advance our country's progress towards increasing economic growth at the rates higher than the world average while maintaining macroeconomic stability, low inflation and steady real income growth. Cooperation on labor productivity, skills development and quality jobs creation, digital economy, healthcare, international trade, small and medium enterprises development, environment and waste reduction can generate significant benefits for the development of national economy.

Table 1: 2017 G20 Hamburg Summit Final Compliance Scores

	Argentina	Australia	Brazil	Canada	China	France	Germany	India	Indonesia	Italy	Japan	Korea	Mexico	Russia	Saudi Arabia	South Africa	Turkey	United Kingdom	United States	European Union	Average		
1	Climate Change: Energy and Energy Efficiency	+1	-1	+1	+1	+1	+1	+1	+1	+1	0	+1	+1	0	0	+1	0	+1	-1	+1	+0.60	80%	
2	Corruption: Resilience	0	0	+1	+1	+1	+1	-1	+1	0	0	+1	0	0	+1	0	-1	+1	0	+1	+0.40	70%	
3	Digitalization: Digital Economy	+1	+1	+1	+1	+1	+1	+1	+1	+1	0	+1	+1	+1	+1	+1	0	+1	+1	+1	+0.90	95%	
4	Gender: Access to Labour Markets	0	0	+1	+1	+1	0	+1	+1	+1	+1	+1	0	0	+1	+1	0	+1	+1	+1	+0.70	85%	
5	Health: Health System Strengthening	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	0	+1	+1	+1	+1	+1	+1	+1	+0.95	98%	
6	Macroeconomics: Inclusive Business Ecosystems	+1	+1	0	+1	+1	+1	0	+1	+1	+1	+1	+1	0	+1	+1	+1	+1	0	+1	+0.80	90%	
7	Migration: Addressing Needs	+1	0	+1	+1	0	+1	+1	0	0	0	0	0	0	0	0	+1	0	0	+1	+0.35	68%	
8	Sustainable Development Goals: Alignment	+1	+1	+1	+1	+1	+1	+1	+1	0	+1	+1	0	+1	0	+1	+1	+1	-1	+1	+0.75	88%	
9	Tax Administration: Fair and Modern System	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	0	+1	+1	+1	+1	+0.95	98%	
10	Trade: Trade and Investment Frameworks	0	+1	+1	0	0	+1	+1	0	+1	0	+1	0	+1	+1	+1	0	+1	0	0	+0.55	78%	
11	International Taxation: BEPS	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1.00	100%	
12	Financial Regulation: Basel III	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1.00	100%	
13	Development: Digital and Financial Literacy	+1	+1	+1	+1	-1	+1	+1	+1	+1	+1	0	+1	+1	+1	0	+1	+1	0	+1	+0.75	88%	
14	Climate Change: Climate Resilience	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	0	+1	+1	-1	+1	-1	+1	-1	+1	+0.65	83%	
15	Environment: Waste Reduction	+1	+1	0	+1	+1	+1	+1	+1	+1	+1	0	+1	+1	0	+1	0	+1	+1	+1	+0.80	90%	
16	Food and Agriculture: ICT	+1	+1	0	+1	+1	+1	+1	+1	+1	+1	0	+1	+1	0	0	-1	+1	+1	+1	+0.70	85%	
17	Energy: Sustainable Energy	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	+1	0	+1	0	0	+1	+1	+1	+0.85	93%	
		+0.82	+0.71	+0.82	+0.94	+0.76	+0.94	+0.88	+0.82	+0.94	+0.76	+0.76	+0.71	+0.65	+0.65	+0.59	+0.65	+0.29	+0.94	+0.35	+0.94	+0.75	87%
		91%	85%	91%	97%	88%	97%	94%	91%	97%	88%	88%	85%	82%	82%	79%	82%	65%	97%	68%	97%	87%	