

# G20 accountability: monitoring and delivering

*The Seoul Summit offers the G20 an opportunity to establish an accountability working group, which could include individuals from both inside and outside the group*

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Since November 2008, G20 leaders have been meeting to discuss and act on matters of global urgency, with economic and financial matters taking centre stage. At their four summits, hundreds of commitments have been made, including refraining from raising new trade barriers, cracking down on tax havens, reforming voice and vote at the International Monetary Fund and World Bank, implementing higher and better quality capital requirements for banks, phasing out fossil fuel subsidies, cancelling debt in Haiti and stepping up efforts to reach the Millennium Development Goals. On the eve of the fifth summit in Seoul, it is important to ask what the G20 has done to take stock of the delivery of its growing number of promises.

Certain commitments have been delivered swiftly and transparently. The G20 quickly delivered on its pledge to expand the Financial Stability Forum into the Financial Stability Board following the London Summit in April 2009. Most other pledges, however, such as the G20's repeated anti-protectionist pledge, its commitment to pursue a green recovery and its promise to make labour markets fairer, require more transparent and detailed monitoring.

G20 leaders know how important accountability is. In March 2010, the leaders of the United States, United Kingdom, Canada, Korea and France (the past and current chairs of the G20) issued a letter emphasising their responsibility in this regard. In it, the leaders stated that "now is the time for the leaders of the G20 both to recommit themselves and deliver on the ambitious reform objectives and agenda we have already agreed to and to explore cooperative approaches to meeting our common goals. We all know that an agreement to act is just a start.

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It is acting on the agreement that matters. We are all accountable.” However, despite this letter and the claim of its host that accountability would be a “defining feature” of their Toronto Summit, the G20 has made no real advances to adequately and transparently monitor its performance.

Efforts have been made by the G20 to report on accountability, including the progress reports released by the Korean and British chairs and statements contained within summit documents. But they have been weak at best. They have been much too general and have excluded critical components, such as detailed, supportive evidence, country-specific information and quantitative reporting.

Assessments asked for by the G20 and delivered by multilateral organisations slightly removed from the G20 process, such as the World Bank, World Trade Organization (WTO), the Organisation for Economic Co-operation and Development (OECD) and the International Energy Agency, have been better. The joint reports prepared by the OECD, WTO and the United Nations Conference on Trade and Development on the G20's anti-protectionist commitments have provided detailed and transparent information on members' compliance. However, improvements could be made to further improve the detail, clarity and credibility of these reports.

Beyond these official efforts, non-governmental organisations and academic centres have also taken stock of a variety of G20 commitments, including those in the areas of trade, development, climate change, clean energy and domestic financial regulation. These reports have provided useful and transparent outsider assessments. But they have lacked the detailed ‘insider information’ required to provide a complete and accurate accountability assessment.

So has the G20 actually delivered? By examining the limited, piece-meal monitoring that has taken place, it appears that the G20 leaders have delivered on their pledges — at least to some degree. But while efforts have been made to move forward on implementation, most pledges have not been met by all members. G8 members have done better than non-G8 members. There is thus much room for improvement, both in the members' compliance and in the monitoring thereof.

For the G20 to live up to its claim of being the premier forum for its members' international economic cooperation, accountability is crucial. Better monitoring and delivery of promises are required. If regulators, investors, accountants, consumers, producers and traders cannot easily see if the G20 has fulfilled its commitments, not only will the credibility and success of the group come into question, but members could also miss out on potential market gains.



At the Seoul Summit, the G20 would be wise to establish an accountability working group. It should include individuals from both inside and outside the G20, to systematically and regularly monitor progress — or lack thereof — on its commitments. Including individuals from inside the G20 will help ensure that there is a detailed understanding of the process and a proper interpretation of pledges. Including individuals from outside the G20 will help to ensure that reporting is transparent — including both positive and negative information; user friendly — ensuring it is easy to read and understand; and delivered

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in an effective manner — clearly available and useful to all interested stakeholders. Beyond the benefits already highlighted, this open and transparent accountability mechanism could also help to improve members' compliance, for fear of being publicly shamed if they do not deliver.

The summit in Seoul provides the G20 with an opportunity to improve its accountability — both in terms of delivery and monitoring. The leaders have already openly committed to accountability. Will they finally deliver in Seoul or fall short once again? ♦