



ARGENTINA 2018

**OVERVIEW OF ARGENTINA'S
G20 PRESIDENCY 2018**

BUILDING CONSENSUS FOR FAIR
AND SUSTAINABLE DEVELOPMENT

Buenos Aires, 1 December 2017

On behalf of the Argentine people, it is my honour to welcome you to Argentina's G20 presidency.

We are proud to have this opportunity to show our commitment to international cooperation, multilateralism and global governance. We will steer the G20's efforts throughout our presidency in the spirit of an honest broker.

When we meet in Buenos Aires in 2018, 10 years will have passed since the first Leaders' Summit in Washington DC. This tenth anniversary challenges us to reflect upon all the G20 has accomplished, as well as how its effectiveness as a key forum for global macroeconomic coordination and governance can be sustained. If we are to solve the challenges of today and tomorrow, we need to act with that same sense of urgency that brought us together in 2008.

With a people-centred vision, Argentina will place development, fairness and sustainability at the forefront of the G20 agenda. We will devote our best efforts to deliver on the task our partners entrusted us by leading the G20 under the theme "Building consensus for fair and sustainable development".

The world has changed in a fundamental way. Globalization has transformed our economies, societies and work practices. Yes, it has been a cornerstone of growth and development. But its benefits have not been shared equally. This is the moment when we must renew our commitments with the broader goal of leaving no one behind. This is the moment to build new bridges across the globe.

I look forward to welcoming my fellow Leaders in Buenos Aires on November 30 and December 1, 2018, and to working with them to help shape our shared future.

Mauricio Macri
President of Argentina

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THE LEADERS' SUMMIT AT 10 YEARS

During and after the financial crisis, the G20 proved to be an effective forum. Over the past 10 years, it succeeded in averting a global depression, strengthening the international financial architecture, overhauling the financial system, and making international taxation fairer. It has provided a space for Leaders to engage in regular, constructive dialogue on the most pressing global issues of the 21st century.

Today, unlike in 2008, global economic growth is firm. Yet cautious optimism is needed, as downside risks remain. Policy missteps, the materialization of geopolitical risks, or a sudden correction in financial markets, may quickly alter the current calm.

Growth has not benefited everyone, and this has undermined people's trust in globalization. Ongoing concerns about inequality are a powerful, everyday reminder that we need to do more to ensure that growth is fairly shared.

In Hamburg, the Leaders of the G20 agreed "to promote greater inclusiveness, fairness and equality in our pursuit of economic growth and job creation". While there was an unequivocal consensus around these overriding goals, there were also some differing views on the paths we should take both individually and collectively to achieve them. But we directed our common efforts towards an agreement and the spirit of compromise prevailed. This is where an important value of the G20 lies: to provide a mechanism to seek consensus, and strive collectively toward our shared goals. Our presidency will build on these hard-earned agreements. We will address the current G20 agenda in a manner that emphasizes the continuity of dialogue and the search for common ground. We are proposing priorities in which we believe there is a common interest and, with the support of our partners, we will strive to make consensus a central pillar of our presidency.

WHO WE ARE DEFINES OUR VISION

Who we are, where we are and where we are headed to will all shape the vision of our presidency. Argentina is a multicultural developing country where people from different origins, beliefs and religions coexist peacefully in a plural identity. We are a vast and diverse country in the south of the Americas. We are undergoing a transformational change. We strongly believe that a promising future lies in a growing integration with the world.

Our presidency will seek to embody the expression not only of one country, but that of a whole region. Latin America and the Caribbean has much to contribute to the world order, through its talented people, its abundant natural resources, and as a region of peace and cooperation. We will take to the centre of the G20 the aspirations and concerns of this developing part of the world which, like Asia and Africa, has a vibrant and diverse population eager for new opportunities.

THE THEME OF THE SUMMIT

What is dialogue without consensus? What is power without fairness? What is development without sustainability? These are three questions worth asking. Our theme, “BUILDING CONSENSUS FOR FAIR AND SUSTAINABLE DEVELOPMENT”, aims to open a global conversation across the board about how to achieve this goal.

International policy coordination is a daunting task. And yet we believe that a consensual approach to negotiations is fundamental to enhance international progress. A cohesive network of working groups and regular meetings form the basis of the G20’s consensus-making. That consensus can only be achieved if pursued with a sense of fairness, equality and true partnership.

Fairness is a demand from people around the world. It is particularly critical in a rapidly-changing environment in which it is necessary to bring everyone along. Moreover, fairness considerations play a fundamental role in designing and implementing global rules for a wide range of issues. A fundamental lesson learnt over the past two decades is that global agreements that are perceived as unfair are unlikely to prove durable. The G20 must seek outcomes that all members view as fair.

Sustainability is a core value that should serve as a unifying framework to meet economic, social, and environmental goals. Taking care of our common home is in everyone’s interest, because the responsibility towards our future generations is shared by us all. Now is the time to act.

Growth that is fair, as well as sustainable, is the pillar of development. This is the vision at the heart of our priorities for 2018.

PRIORITIES: MAKING OUR CONTRIBUTION

Our presidency will focus on three key issues: the future of work, infrastructure for development, and a sustainable food future.

The future of work: Unleashing people’s potential

Technological change is extraordinary in its magnitude and speed. The emergence of new technologies has led to the development of new forms of work that are rapidly changing production processes worldwide. This offers huge opportunities to accomplish fair and sustainable development; yet it also presents challenges that are putting pressure on the employment, welfare and education agendas.

Policy responses need to ensure that embracing technological change will not engender exclusion, social disintegration, or backlash. Providing these responses in a coordinated manner will also help prevent excessive gaps in technology adoption across countries and surging inequality among them.

We need to create the conditions for more and better jobs. We need to provide tools and skills to those people looking for a job and those whose jobs are at risk of being replaced by automation. We should explore global initiatives that ensure that everyone has a chance to develop their full potential so as to benefit from the new technological era.

We will seek to pin down the impact that technological change is having on productivity, growth, jobs, and inequality. Following a diagnostics phase, we will also explore the policies needed to embrace the opportunities and address the challenges presented by technology.

Education is at the crux of this debate. Education empowers people to shape their own futures. It enables them to create their own endeavours and form an active citizenship able to contribute to the development of a world that is both fairer and more sustainable.

Making the new wave of technological breakthroughs as inclusive as possible will require considerable investment in training and skills for life and work. It may also require an adaptation in our fiscal policies or structural reforms. Now is the moment to shape the opportunities and skills that prepare our citizens for change.

Infrastructure for development: Mobilizing private resources to reduce the infrastructure deficit

Infrastructure is critical to development. Investment in infrastructure boosts growth and productivity. Moreover, infrastructure provides the physical and digital access necessary for our citizens to seize the opportunities of the future economy.

Despite its importance, investment in infrastructure is far less than what is needed to sustain vigorous growth and make it truly inclusive. The global infrastructure gap projected from now to the year 2035 amounts to USD 5.5 trillion according to some estimates. Meanwhile, institutional investors around the world have USD 80 trillion in assets under management, typically offering low returns.

Mobilizing private investment toward infrastructure is crucial to closing the global infrastructure gap. It can also ensure a better return for those who today save and invest. This is a win-win objective and it requires international cooperation.

We will seek to develop infrastructure as an asset class by improving project preparation, addressing data gaps on their financial performance, improving the instruments designed to fund infrastructure projects, and seeking greater homogeneity among them.

Developing infrastructure as an asset class holds great promise to channel the savings of today into public infrastructure, efficient transportation services, basic sanitation, energy flows and digital connectivity that will make each person of today a global citizen and worker of tomorrow.

A sustainable food future: Improving soils and increasing productivity

Food security is an important link in the process of achieving stability and peace. In no other case are security and development more evidently interlinked and mutually reinforced as in food. Meeting the dietary needs of future populations requires a sustainable way of increasing agricultural productivity.

The G20 countries are key players in the global food system. Our territories account for about 60% of all agricultural land and account for almost 80% of world trade in food and agricultural commodities.

Soils are a key part of the natural environment and from where most of the food consumed by mankind is produced. As a limited and non-renewable resource, they

require the greatest attention. Healthy, fertile and productive soils are necessary for food security and human health, and their preservation is crucial for sustainable development and life on our planet.

Approximately 10 million hectares of cropland are lost every year due to soil erosion. The reduction of the land available for food production causes an irreversible degradation to the ecosystem which becomes dramatic in developing countries or regions with high food insecurity.

We have a valuable opportunity to promote a broad debate on the importance of sustainable soil management. The work in this field will be oriented to explore how the G20 can provide the international coordination necessary to foster public-private collaboration between industries, governments, international agencies, farmers' associations and civil society.

BUILDING ON THE LEGACY: ENSURING CONTINUITY

Argentina will seek to build on the valuable legacy of past presidencies across a broad array of issues.

Empowering women

As a result of structural inequality, policy action has different implications for women and men. That is why it is mandatory for our presidency to foster a gender mainstreaming strategy across the whole G20 agenda. We know that the only way to achieve truly fair and sustainable development is by ensuring that women and men will benefit equally from it. We will boost women's empowerment, the elimination of gender disparities in employment, science, technology and education, and protection from all forms of gender-based violence.

Fighting corruption

Corruption erodes trust and inhibits willingness to cooperate. Fighting against corruption and achieving transparency are central to fairness. When corrupt behaviour occurs, valuable resources are diverted from their use for the common good, particularly affecting those most vulnerable. High levels of corruption are associated with lower levels of investment and growth, equally affecting productivity. We will continue to fully implement the G20 Anti-Corruption Action Plan 2017-2018, while focusing on two main priorities: conflict of interests, and corruption and state-owned enterprises.

Strengthening our financial governance

Capital flows can deliver significant benefits for countries. In Hamburg we agreed to continue to improve the system underpinning international capital flows. We will continue to monitor the risks associated with volatility and will analyze countries' experience with macroprudential measures and capital flow management tools. Moreover, we will keep strengthening our global financial safety net, which is critical to preventing and mitigating the effects of economic and financial crisis. We will also seek to build consensus towards completing the 15th General Review of IMF Quotas, including a new quota formula, by 2019.

Continuing work towards a strong and sustainable financial system

The G20's programme of financial sector reforms has made the system resilient. Substantial progress has been made in making financial institutions more resilient, ending the problem of too-big-to-fail, transforming shadow banking into sounder market-based finance and making derivatives markets safer. We will work toward the full completion of the financial reform package and its implementation, assess its initial effects on the economy, particularly on infrastructure, and continue to monitor any risks to financial stability.

Improving the fairness of the global tax system

The international tax agenda is being affected by the opportunities and challenges presented by technological change, particularly digitalization. Fighting against tax avoidance and evasion is key. We will work towards the timely implementation of transparency commitments, as well as our actions to avoid base erosion and profit shifting. We will also address the fundamental questions as to how the digital economy generates value, where value is created and how taxes can be reported and collected fairly, efficiently and effectively without creating barriers to innovation.

Cooperating on trade and investment

Trade is an engine of growth, but fair trade is an engine of development, which requires fair global institutions and clear rules. We need a rules-based system that is strong and WTO-consistent at multilateral, regional, bilateral and national levels. Rethinking an effective system for enhancing trade and investment ties is a crucial task for reinvigorating strong, sustainable, balanced, and inclusive growth, job creation and micro, small and medium-sized enterprises' participation in global value chains. These will be the principles that will guide Argentina's presidency on the trade agenda.

Taking responsibility on climate action

Climate change compels us to urgent and collective action. In Hamburg we reaffirmed our commitment to the 2030 Agenda for Sustainable Development and its Addis Ababa Action Agenda on Financing for Development. We also listed our concrete, collective actions in the Hamburg Update. Following those guidelines, our presidency's priorities will revolve around promoting adaptation to climate change and extreme weather events with a focus on infrastructure, education, capacity building and job creation, as well as developing long-term low-greenhouse gas emission pathways.

Transitioning towards cleaner, more flexible and transparent energy systems

The G20 can make a strong contribution to the energy transition by shaping cleaner, more flexible and transparent systems. We will build on the Energy Efficiency Leading Programme agreed in China 2016 and the Toolkit on Renewable Energies created under the Turkish presidency of 2015, all of which give an action-oriented approach to the most important issues on the global energy agenda. In line with what was done with Sub-Saharan Africa and Asia-Pacific in the Turkish and Chinese presidencies respectively, we will assess the accessibility and affordability of energy in Latin America and the Caribbean. Argentina will also push forward other relevant issues on the energy agenda such as inefficient fossil fuel subsidies that encourage wasteful consumption, and energy data transparency.

REACHING OUT

Argentina has invited Spain, Chile and the Netherlands to attend the G20 meetings. We have also invited the chairs of the Caribbean Community (Jamaica), ASEAN (Singapore), African Union (Rwanda) and NEPAD (Senegal). Given its strong focus on infrastructure investment, our presidency has invited the Inter-American Development Bank and CAF-Development Bank of Latin America. We are also looking forward to the continuing contributions of international organizations, including the United Nations, IMF, World Bank, WTO, OECD, Financial Stability Board and ILO.

Global solutions call for broader, stronger engagement. Building consensus for fair and sustainable development requires the commitment not only of governments but also of all sectors of society. We will continue to foster a comprehensive and pluralistic dialogue with Business20, Women20, Labour20, Think20, Civil20, Science20 and Youth20.