



Outcome Statement: G20 Development Working Group, Commonwealth Secretariat and Organisation Internationale de La Francophonie

Washington DC, 21 April 2013

1. Members of the Commonwealth and La Francophonie held an outreach meeting with Russia, President of the G20 in 2013 in Washington DC on 21st April 2013 and several members of the G20 Development Working Group (DWG). We welcomed Russia's initiative to hold the outreach meeting, which has contributed to a further deepening of dialogue and engagement between the three associations, enabling the perspectives and priority development challenges of many of the poorest, smallest and most vulnerable developing countries to be discussed and brought to the attention of the DWG. Participants included over 20 developing country members of the Commonwealth and Francophonie, from Africa, Asia, the Pacific and the Caribbean regions, nine G20 member countries and several international organisations including the World Bank and International Monetary Fund, Alliance for Financial inclusion, UNDP, OECD and the G24. We welcomed the discussion and valued suggestions by members on where the G20 DWG might best add value to the narrowing of development gaps, consistent with the G20 Framework for Strong, Balanced and Sustainable Growth.
2. We noted the successful conclusion of the second Annual Commonwealth Dialogue on G20 issues, which had immediately preceded our meeting. The dialogue had identified a number of policy issues which Commonwealth developing countries considered to be important priorities for future G20 focus. These included: infrastructure, financial inclusion, human resource development, as well as knowledge sharing and peer learning. In this discussion, many developing countries considered it important for the G20 to examine how best it could contribute to several on-going global development issues, including green growth and the post-2015 development framework. We also welcomed internal G20 discussions to reflect on, and where necessary adjust, its development priorities.
3. We welcomed the G20's decision at the 2012 Los Cabos Summit to launch an accountability mechanism in order to better evaluate and communicate the G20 DWG development commitments. This is an important initiative that is gradually and steadily progressing and which offers the ability to examine both compliance with development commitments, as well as the added value and the impact for developing countries. As an initial contribution to this process, developing countries of the Commonwealth and the Francophonie have provided their input in the assessment process of the G20 DWG development agenda.
4. We considered a range of economic, social and developmental challenges confronting Commonwealth and Francophonie developing countries. These are impeding progress in eradicating poverty, addressing vulnerabilities, promoting growth and building resilience. We focused on three priority issues: providing G20-relevant inputs to the debates on the successor development framework

to the Millennium Development Goals (MDGs) which ends in 2015; promoting infrastructure and securing long-term infrastructure financing; promoting financial inclusion and protecting vulnerable states against global risk and shocks.

Post – 2015 Development Framework

5. We welcomed the priority attached by Russian G20 Presidency to complement and support international efforts on the post-2015 development framework and recognised the intensive international efforts underway, which are being led by the United Nations and supported by a wide range of initiatives at the international, regional and national level.

6. We welcomed presentations by Nigeria and the UK on the work of the UN Secretary-General's High-Level Panel of Eminent Persons on the Post-2015 Agenda. Commonwealth and Francophonie developing countries have a long-standing and extensive interest in the MDGs and in securing a robust, sustainable and effective successor framework. Both associations have had recent extensive Ministerial discussions and engagement and these are expected to continue. We noted the G20 priority of maintaining a strong focus on achieving the current MDGs with a targeted push on those goals that relate to core G20 growth objectives.

7. We discussed the strengths and weaknesses of the current framework, noting that the strength of the MDG framework is rooted in the availability of simple measurable, concise, time bound goals, targets and indicators and considered that the post-2015 framework should retain these characteristics.

8. In discussing the potential role of the G20 in the post 2015 development framework, it was noted that progress in MDG achievement has been constrained by a lack of several enabling factors and that the successor framework would need to better incorporate economic aspects of growth and development. As a key stakeholder in the global partnership for development, the G20 can help create a global environment that is conducive to growth and development, and help address priority areas such as: infrastructure development; securing inclusive growth; securing structural transformation and fostering improved access to and participation in the global trading system; better recognising the role of governance, security and the rule of law in securing growth and development; and taking better cognisance of initial conditions and heterogeneity in national circumstances.

9. Our development experience has shown that sustainable development and poverty reduction are important elements in the 2015 framework discussions. In this regard, we heard about the challenges of small and vulnerable states in achieving their development objectives, and the particular importance of jobs and sustainable growth with resilience.

Financial Inclusion

10. We discussed financial inclusion (FI) in the poorest, smallest and most vulnerable developing countries and welcomed the continued progress being made by many countries. FI represents an important pillar of the G20's development agenda and we welcomed progress being made including through the Global Partnership for Financial Inclusion. We welcomed both the Maya Declaration and

have encouraged members to participate in this initiative, as well as the G20's recently-established Financial Inclusion Peer Learning Program. We support Russia's priority issues of consumer protection and financial literacy, as well as the proposal to focus on the needs of women, youth and migrants.

11. Many innovative means are being found and utilised in the poorest and smallest developing countries to improve access to financial services, by developing clear mechanisms to promote a better understanding of the financial system, its risks and benefits; establishing mechanisms to address consumer complaints and consumer protection; and promoting national initiatives to enhance financial education. Many countries are making satisfactory progress in addressing the nine principles, including a number of African and Pacific island members. Challenges nevertheless remain severe, with over 70 per cent of the world's adult population lacking access to basic financial services, including savings or checking accounts and credit facilities and with most of the financially excluded are in poor vulnerable developing countries, including Commonwealth and Francophonie small islands states and with access to reasonably-priced finance for small and medium enterprises (SMEs) continuing to be a major challenge.

12. Several practical options can help. Developing countries, particularly small states can strengthen efforts to develop measures of data on FI. Regional and international standard setters can deepen collaboration with countries to implement and disseminate policies which address newer products and services more promptly; and can better help share emerging examples of best practice. G20 and other collective international efforts can help develop a more comprehensive information base and a core set of data on FI, particularly for small states in the Pacific and the Caribbean; prioritise G20 recommendations and principles for FI, particularly to assist small states and LDCs; strengthen support to these countries' efforts to implement the principles, including on a phased basis; help develop and promote standardised self-assessments; and help share examples of best practice and innovations in FI, including through funding and fostering new networks. We welcomed a number of new initiatives launched under Russia's G20 Presidency to strengthen and take further the G20's work on FI and noted these will contribute to supporting efforts by the poorest developing countries in promoting FI.

Infrastructure Development

13. We discussed the challenge of many of the poorest, smallest and most vulnerable developing countries in building infrastructure, attracting sufficient sources of long-term infrastructure finance and maintaining adequate levels of foreign direct investment. This can help overcome macroeconomic, demographic and other vulnerabilities, promote growth and employment and build resilience. We noted that a number of countries, particularly small states are experiencing particular challenges as a consequence of climate change. Infrastructure and infrastructure financing gaps are very large indeed; and many countries, particularly small states, sub-Saharan African countries and LDCs face particular and disproportionate hurdles in addressing these gaps and overcoming structural underinvestment. The G20 is focused on this challenge, both through the DWG, where LICs are a particular focus, and the finance track, where long-term financing for investment is a new priority this year. We welcomed progress made by the G20 to help promote infrastructure and long-term infrastructure, including through the work of the High-Level Panel on Infrastructure, by helping improve understanding of risks,

the challenges faced by developing countries in attracting infrastructure investment and developing effective enabling environments, highlighting the need for a stronger role for the private sector in delivering infrastructure and identifying model examples of regional infrastructure financing.

14. We discussed several innovative mechanisms and instruments to enhance infrastructure and infrastructure financing. Potential options include diaspora bonds, local currency bonds, risk pooling and expanding the use of guarantees. Commonwealth and Francophonie developing countries also highlighted several other opportunities including scaling up of green infrastructure and the use of green bonds, developing more widely-available mechanisms to provide longer-term counter-cyclical concessional finance, output-based aid and emerging new sources of global savings, including infrastructure financing from sovereign wealth funds and other emerging development banks.

Continuing Engagement

15. We have agreed to continue deepening engagement and collaboration, through actively facilitating dialogue and the sharing of information, to highlight and to address the needs of the poorest, smallest and most vulnerable countries. The DWG has invited both associations to attend and present at a lunch session of the forthcoming DWG meeting in May 2013, on the issue of small and vulnerable countries indebtedness. We will continue to explore opportunities for further outreach.

16. We thanked the Russian G20 Presidency for facilitating this meeting and the IMF for providing the venue for our meeting. We expressed our gratitude to the Government of Australia for its financial support for the Commonwealth-G20 development dialogue.

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