I. SUMMARY

The global financial, economic, and social crisis has been a catalyst for important underlying structural changes in the world economy and in the global governance architecture. Looking to address the crisis, the governance architecture that emerged underlined the relevance of involving major emerging economies and fast growing developing countries. The crisis also showed that cross-border interlinkages through trade, investment, and financial markets, not a new phenomenon *per se*, have not only become more important but also more complex due to a larger number of players with diverse policy objectives and priorities.

The establishment of the G20 at the leaders’ level as the prime forum for global economic cooperation is a first step in this new governance. The decisive actions taken by the G20 from 2008 until today to restore confidence in financial markets, boost demand through coordinated fiscal expansion, and avoid protectionist measures were instrumental in avoiding an even worse economic contraction. Undoubtedly, the G20 has proved to be a successful “firefighter” at the height of the first phase of the crisis.

This Article highlights the initial progress achieved by the G20 in meeting global challenges, which can be seen as threefold:

*Geopolitical*, building the blocks of a new international architecture that would reflect the rebalancing of the world economy;

*Economic and financial*, with the necessary enhancement of global coordination as a response to greater and increasingly complex economic and financial interdependencies; and

*Ethical and legal*, as the crisis has made the case for enhanced and effective regulations that pave the way for a more effective rules-based global economy.

* Chief of Staff to the Secretary-General of the Organisation of Economic Co-operation and Development (OECD) and OECD Sherpa to the G20. M.A., Kennedy School of Government, Harvard University; B.A., Universidad Iberoamericana.
However, this Article also argues that the G20 is now facing its "litmus test" by having to demonstrate that it can craft meaningful consensus to durably transform the world economy. In particular, it needs to build the foundations of strong, sustainable, and balanced growth as envisaged in the G20 framework and induce its members to implement this framework through specific policy commitments.

This is immensely challenging in the current context: the crisis is not over, it has merely changed skin. Growth rates are low, unemployment is high, and fiscal consolidation is pressing in many advanced economies, while inflationary pressures, equality concerns, and development challenges are of key political importance in emerging economies. Policy efforts will take time to bear fruit. In this complex environment, conditions for international cooperation have changed dramatically.

This Article argues that the G20 needs to move towards more effective governance and concrete policy actions in order to deliver fully on this ambitious agenda and live up to expectations. The Article also illustrates how international organizations, and the Organisation for Economic Co-operation and Development (OECD) in particular, have been assisting, and will continue to assist, G20 members in achieving these objectives.

II. Shifting Wealth: Rebalancing Power for a New Era of Cooperation

OECD analysis estimates that emerging and developing economies could account for close to 60% of world gross domestic product (GDP) by 2030. The establishment of the leaders' level of the G20, and the decision at the Pittsburgh Summit to transform it into the premier forum for economic cooperation, is a welcome consequence of this trend. It was one of the necessary institutional responses to the financial crisis. Multilateral cooperation has become more important than ever.

But we have to be very clear: the current crisis has its roots in advanced economies and is mainly visible in these countries as they are struggling with slow growth and high unemployment. Emerging market economies, while affected by the international environment, continue to be on the growing path. These dynamics are accelerating the shifting wealth process. New players will be given

a stronger voice in decision-making processes at the global level, which should help craft more inclusive global governance down the line.

Emerging economies have also become critical players in globalization—not only through their integration in international trade flows—but also in their capacity as major international creditors, foreign direct investors, or centers of innovation. Their concerns are increasingly similar to those of advanced economies and encompass issues such as financial stability and coordination; management of capital flows; and nondiscrimination in, and freedom of, investment. It is also likely that the enforcement of property rights and patent laws will gradually become critical issues for these countries. There seems to be a growing convergence on the need to achieve specific goals through international economic cooperation.

III. Enhanced Coordination to Mirror Increased Interdependencies

The G20’s *raison d'être* is to equip the global economy with an efficient framework for policy coordination. The world badly needs to reduce, if not eliminate, global imbalances, avoid currency wars induced by uncoordinated monetary policies and destabilizing capital flows, keep markets open, address climate change and environmental risks, and, broadly speaking, to level the global playing field. International cooperation could indeed have a bigger impact than ever before because G20 countries jointly account for more than 80% of world GDP. In other words, they have the potential to genuinely transform the way international economic affairs are managed, handled, and organized. An international dialogue enlarged to the twenty most powerful economies, once it reaches its “cruising speed,” will hopefully deliver enhanced stability in global economic relations and increased security at the international level. Legitimacy issues related to the G20 have been raised. The G20 countries, however, recognize the fact that they can only speak for themselves and do not represent the entire global community. At the current juncture, the element that is lacking is policy effectiveness.

When looking at its policy achievements, the G20 has fared well. G20 governments successfully limited the impact of the crisis,

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2. See *What is the G20?*, G20-G8, http://www.g20-g8.com/g8-g20/g20/english/what-is-the-g20-/what-is-the-g20-/what-is-the-g20.70.html (last visited Dec. 14, 2011).
thanks to a large, swift, and coordinated policy response that was unprecedented in history: the London Summit in April 2009 implemented expansionary fiscal measures by mobilizing up to $5 trillion through 2010 to shore up global growth and employment.\textsuperscript{3}

Most importantly, world leaders drew the lessons from the uncooperative policy responses that had contributed in transforming the 1929 downturn into the Great Depression. They refrained from raising new barriers to investment and trade,\textsuperscript{4} and avoided misguided labor market policies.\textsuperscript{5}

Overall, enhanced policy coordination has borne fruit. G20 countries avoided large-scale economic chaos and initiated the recovery of economic activity, shaky though it may be at this moment. Looking further ahead, the ambitious agenda set out by the G20 encapsulates many of the critical issues for the world economy and for the future of global economic governance: the Framework for Strong, Sustainable, and Balanced Growth;\textsuperscript{6} the removal of inefficient and wasteful fossil fuel subsidies;\textsuperscript{7} the inception of a G20 agenda and consensus on development that will be implemented through multi-year action plans;\textsuperscript{8} and an aggressive action plan against corruption.\textsuperscript{9} The French G20 presidency has further broadened this agenda by bringing food price volatility and the


\textsuperscript{4} See Org. for Econ. Co-operation & Dev. et al., Report on G20 Trade and Investment Measures 7–8 (2010). According to the World Trade Organization, U.N. Conference on Trade and Development, and OECD analysis, less than 1% of G20 trade has been affected by import-restricting measures adopted during the crisis. See id. at 8.


\textsuperscript{7} See Pittsburgh Leaders’ Statement, supra note 6, ¶ 24.


\textsuperscript{9} Id. ¶ 13.
reform of the international monetary system onto the G20 radar screen.10

IV. BEYOND THE CRISIS: STRONGER STANDARDS FOR A STRONGER RULES-BASED WORLD ECONOMY

One critical dimension of the G20 agenda is to design new regulations, norms, and standards to promote a rules-based global economy. As a result of the crisis, governments need to win back the public's confidence in the "virtues" of the market economy. Trust has been seriously damaged by a crisis that originated in governance, market failures and macroeconomic imbalances.

Take, for instance, transparency in tax matters or protection of consumers that are using financial services. They are two aspects of the same demands from citizens for equal and fair treatment: public need for adequate information and proper market regulation, and, from a broader perspective, a request for globalization to be based on a stronger ethical foundation. Tax evasion is absolutely unacceptable, all the more as budget deficits reach unprecedented levels in many countries and governments are implementing tough austerity measures onto societies and honest citizens.11 As for financial consumer protection, consumers and individual households have had to bear the brunt of the consequences of the financial crisis that started in the summer of 2007 with the U.S. subprime mortgage crisis. This has highlighted the need for more effective consumer financial protection and education measures.

As a result of the first stage of the financial crisis, calls for better and more effective regulations from market participants, policymakers, and citizens are not only legitimate on ethical grounds but they will need to be followed with concrete actions if public faith in economic and financial globalization is to be restored. Achievements of the G20 in these two domains—and with respect to financial regulation in general—have been encouraging so far.

At the request of G20 members, the Global Forum on Transparency and Exchange of Information for Tax Purpose hosted at the OECD delivered significant progress in implementing interna-


tional standards for tax transparency and exchange of information. More than 700 international information exchange agreements have been signed since the London Summit in April 2009 (compared to only forty-four agreements that were concluded between 2000 and 2008).\textsuperscript{12} Eighty-nine peer reviews, aimed at assessing countries’ compliance with international standards, have been initiated, fifty-nine of which are already completed.\textsuperscript{13}

More than 100 jurisdictions are now members of the Global Forum, including a growing number of developing countries.\textsuperscript{14} The G20 members, at the G20 Summit in Cannes, expressed their support for the self-standing multilateral Convention on Mutual Administrative Assistance in Tax Matters which was initially developed by the OECD and the Council of Europe and is now open to all countries.\textsuperscript{15} This instrument enables countries to share tax information in a wide range of ways, including automatically.\textsuperscript{16} Enforcement of the Convention represents a major step forward with respect to tax transparency and the fight against tax havens and tax evasion.

Progress is also being made by the G20 with respect to the broader reform of financial regulation, be it the strengthening of macro-prudential frameworks and tools, the oversight of the shadow banking system, over-the-counter transactions, and commodity derivative markets, or the identification and treatment of global systemically important financial institutions. Certainly, some areas, such as the definition of a single set of high quality global accounting standards, are slower to advance than others. There are issues of implementation too. While Basel III capital requirements have been agreed on,\textsuperscript{17} the faithful, timely, and consistent implementation of the Basel III rules is just as important. Overall, the G20 can be credited with pushing for overhaul of the

\textsuperscript{13} Id. at 31.
\textsuperscript{14} See id. at 27–29.
financial regulatory framework inherited from the pre-crisis period. In other words, the G20 has started to set new rules of the game for financial globalization. Hopefully, this will contribute to restoring trust in governments and in market mechanisms at large while at the same time facilitating the convergence of interests among developed and emerging countries.

In the field of bribery and corruption, the G20 committed to lead by example and to adopt and enforce laws and other measures against international bribery, such as the criminalization of bribery of foreign public officials. For example, G20 countries will enact and implement whistleblower protection rules by the end of 2012. The ambitious G20 Anti-corruption Action Plan also encourages all G20 countries that are not yet party to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (Anti-bribery Convention) to adhere.

V. THE G20 AT A CRITICAL JUNCTURE: FACING THE TEST OF MATURITY

Facilitating the convergence of interests is precisely an area where the G20 will have to show its effectiveness over time. The G20 will have to demonstrate that it is an effective forum for policy coordination with high impact. The challenges ahead will test such effectiveness.

The stakes are high. Take for instance the narrowing of global economic imbalances. To achieve this objective, the OECD will need enhanced coordination and sequencing of G20 countries’ domestic agendas for structural reforms. At the core of this exercise is the Framework for Strong, Sustainable and Balanced Growth and the associated Mutual Assessment Process aimed at ensuring that G20 members effectively deliver on their commitments to reforms. We collectively need to ensure that the Framework for Strong, Sustainable and Balanced Growth, initially the centerpiece

19. Id. ¶ 7.
of the G20 process, is a success. The Cannes Action Plan for Growth and Jobs is an important step in this direction.\(^\text{21}\)

We are not there yet. Because the many challenges facing the G20—sluggish growth for the years to come, high unemployment, global rebalancing, reform of the international monetary system, a two-speed world economy, and absence of fiscal leeway in advanced economies—any coordinated solutions will be complex, intricate, and politically sensitive. Crafting consensus within the G20 is therefore extremely difficult. This has been brought into the spotlight by the precarious compromise reached by G20 Finance Ministers, earlier this year, on a set of indicators to measure global imbalances.\(^\text{22}\)

Having managed to pull together in the same direction for stimulating their economies to avoid the worst scenario at the height of the crisis, the risk going forward is that G20 countries will face slow progress because of conflicting agendas and diverse policy settings. They are now faced with different policy options that give priority to national preferences and conditions. For instance, some countries will continue with economic stimuli, starting with very accommodative monetary stances.\(^\text{23}\) In contrast, some others, mostly emerging markets, are faced with overheating pressures and are considering tightening their monetary policies and implementing measures to curb potentially destabilizing capital inflows.\(^\text{24}\)

The variety of options bears the risk of consensus being achieved only through converging towards the lowest common denominator, instead of adopting high quality standards and designing effective policy coordination. This would be particularly unfortunate at a time when economic recovery is in a hesitant phase, and G20 citizens are impatient to see the impact of the ongoing recovery on employment. The G20 is at a critical juncture, and its credibility is at stake. Therefore, it is essential that the G20 uses its integrating character to bring countries into line and to avoid uncooperative and selfish actions.


\(^{23}\) See generally Country Summaries, supra note 11 (observing that some countries, such as the United States and Italy, will continue programs to spur economic growth).

\(^{24}\) Id. (observing that some countries, such as Finland and the Czech Republic, are maintaining economic policies to ensure medium-term consolidation).
To deliver on its ambitious policy agenda, the OECD believes that the G20 needs to monitor its commitments, and deliver on them. OECD tools and working methods can help in this domain. They can help provide useful guidance with respect to increasing the effectiveness of the G20 and giving more “teeth” to its work. This is not to underestimate the specific challenges of consensus building in a large and heterogeneous arena. But the OECD has longstanding experience to share with the G20 in setting international standards and in ensuring their compliance. In particular, our experience in the use of peer review might be useful as the G20 resorts to similar mechanisms.

At the OECD, where all policy areas are discussed, peer review is as important as the substance of the work. For almost fifty years, more than 100 committees have relied on this process to advance best practices and help countries improve their performance. From investment, labor, economics, and trade, among others, policies are measured, compared, analyzed; best practices are derived; and peer review processes are triggered. This is also known as the “OECD method” that increasingly includes not only its member countries, but several other countries, like the emerging economies as well.

The G20 should feature similar mechanisms for candid and systematic policy sharing. The Mutual Assessment Process should be further developed to include a full-fledged monitoring mechanism of the countries’ policy commitments at the highest political level. It should be turned into a genuine peer review mechanism: countries would table commitments; the commitments would be collectively discussed and agreed on by peers on a non-adversarial basis; and, after a given period, commitments would be examined and reviewed by peers and countries would have to account for possible gaps between expectations and actual implementation. Adopting this sort of mechanism in a G20 setting is feasible, as shown by the effectiveness of the Global Forum on Transparency


26. At the 2009 Pittsburgh Summit, G20 leaders committed to “mutual assessment” of their progress towards meeting these shared objectives through the Mutual Assessment Process. See G20 Framework for Strong, Sustainable, and Balanced Growth, supra note 6, ¶ 6. The G20 requested that the International Monetary Fund provide the technical analysis needed to evaluate how members’ policies fit together, and whether, collectively, they can achieve the G20’s goals. Id. ¶ 7.
and Exchange of Information for Tax Purpose, one of the finest examples of a peer review mechanism inspired by OECD methods.27

The main challenge is to continue building a forum to achieve concrete results for better regulation and better policies. This will not be straightforward and will take time to materialize. But the rewards for multilateral cooperation and collective action are sufficiently high to be pursued patiently.

VI. THE OECD IN THE G20 WORLD: A NATURAL PARTNER AND VALUABLE SUPPORTER

How do international organizations, and the OECD in particular, fit into this new global architecture? In essence, the role of the G20 is to provide a forum to coordinate policies and to make globalization a smoother, more harmonious, and sustainable process. This mandate is to a large extent analogous to the mandate of the OECD. Consequently, the OECD is a natural partner and a valuable supporter of the G20. Beyond the OECD, the G20 has called on a number of international institutions to help advance its agendas and provide analytical support. The OECD has been invited to perform this role since the G20 Pittsburgh Summit in September 2009 and is one of the institutions with a G20 Sherpa and a G20 Deputy Minister of Finance that participates in almost all the G20 meetings, particularly at the Summits.

Working with the G20 has underlined the need for the OECD to work with emerging economies outside its membership and to expand the agenda of cooperation. Having established the Enhanced Engagement program in 2007 with India, Indonesia, Brazil, China, and South Africa, the OECD was well placed to support the G20.28 However, efforts should continue in this direction to ensure an inclusive approach. The OECD is currently designing innovative legal and institutional arrangements to engage with nonmember states.

This institutional dimension goes hand in hand with a demand for more OECD analysis of nonmember policies. The OECD is therefore expanding and broadening its expertise to countries outside the organization.

27. See id. ¶ 15.
This also has consequences for OECD activities as a global standard setter. The OECD has long been recognized as a place where countries identify and share experiences and best practices. To continue being relevant, this activity will need to integrate the views of emerging economies in a more systematic way, strengthening the policy dialogue with them. Setting standards should become a genuine two-way process that incorporates, without diluting OECD standards, the valuable lessons which emerging countries can contribute. This requires new ideas and approaches to engage with our partner countries.

This is being pursued at the OECD in several dimensions, but became a particular point of focus since the agreement to elaborate an OECD Development Strategy, that was mandated in the Ministerial Meeting of the 50th Anniversary. There are other decisions as well that go in the same direction.

The OECD is progressively becoming more inclusive. Last year, Chile, Estonia, Israel, and Slovenia became members of the OECD and accession talks with Russia are advancing. Currently, the OECD is designing innovative arrangements to engage with non-OECD G20 member countries. Some 100 nonmember countries, including the non-OECD G20 members, participate regularly in the work of the OECD’s committees, expert meetings, and forums.

One example of structured and coherent partnerships with non-OECD G20 member countries, based on mutual interest, is the above-mentioned Enhanced Engagement program. Participating countries join OECD work through an individual program with focus on participation in OECD committees, regular economic surveys, adherence to OECD instruments, integration into OECD

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statistical reporting and information systems, and participation in policy-specific peer reviews. While Enhanced Engagement programs are distinct from accession to the OECD, over a longer term they have the potential to lead to membership in the OECD.

The OECD is adapting its instruments by opening them to G20 countries. One example is the OECD Code of Liberalisation of Capital Movements (Code). For fifty years, it has been a legally binding, but still very flexible, instrument aimed at providing OECD policy makers with a common and shared framework for designing and carrying out sound policies to facilitate the circulation of capital and investment across national frontiers. It was recently opened to adherence by nonmembers. The Code is not written in stone; it can and will be further refined, updated, and upgraded to make it more relevant to non-OECD members.

The Code could be particularly beneficial to G20 countries, for example, in the context of avoiding financial protectionism. Cooperation under the Code fosters a continuous process of shared learning and favors convergence in policy settings which contributes to supporting countries' reciprocal liberalization efforts, cooperating to avoid restrictive measures, and agreeing on common definitions/interpretations of restrictions to improve monitoring of capital account openness across countries. The Code should be among the instruments that the G20 considers using in the context of the reform of the international monetary system and the related work on capital flow management.

Another example of the OECD's engagement with nonmember countries is the 2011 update of the OECD Guidelines for Multinational Enterprises (Guidelines). The negotiation process of this update was open and based on full participation of interested non-member countries. As a result, the OECD member countries plus Argentina, Brazil, Egypt, Latvia, Lithuania, Morocco, Peru, and

33. Enhanced Engagement, supra note 32.
34. Id.
36. Id. art. 1(d), at 11.
37. See generally ORG. FOR ECON. CO-OPERATION & DEV., OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES 11 (2011) [hereinafter Guidelines].
Romania committed to new, tougher standards of corporate behavior.\textsuperscript{38}

The Guidelines establish that companies should respect human rights in every country of operation.\textsuperscript{39} They also demand respect for environmental and labor standards, apply appropriate due diligence processes including paying decent wages, combating bribe solicitation and extortion, and the promotion of sustainable consumption.\textsuperscript{40} The Guidelines are a comprehensive, nonbinding code of conduct which both OECD member and nonmember countries have agreed to promote among the business sector.\textsuperscript{41}

The OECD is significantly extending its analysis to partner economies and to all G20 member countries. These countries are regularly reviewed in OECD Economic Surveys\textsuperscript{42} and are systematically included in the regular OECD Economic Outlook.\textsuperscript{43} They are also incorporated in the OECD flagship publication Going for Growth.\textsuperscript{44}

At their request, the five G20 Enhanced Engagement countries are also subject to the OECD's sector-specific analysis. The OECD is undertaking analysis with regard to these countries in the context of: the Review of Regulatory Reform; the Investment Policy Review; the Innovation Policy Review; the Review of Corporate Governance; the Environmental Performance Review; the OECD Employment Outlook; and in the context of OECD Peer Reviews of Competition Law and Policy.\textsuperscript{45}
As a result of these contributions and of the OECD’s opening, the G20 member countries have realized that they can count on OECD’s support when it comes to framing issues and putting elements for discussion on the table. The OECD regularly participates in the G20-process at all levels (sherpas, deputy ministers, and all G20 working groups). Its role is to provide the G20 with analytical resources to help the G20 member countries—and in particular the incumbent G20 presidency—to appropriately frame the global policy discussion and define the relevant G20 policy agenda for action.

It was the substance of OECD’s contributions that has steadily established its credibility vis-à-vis G20 member countries, and it helps to keep the non-G20 OECD members well informed. Over the last year, the number and scope of OECD contributions to the G20 has significantly expanded. Now, the OECD is one of the very few international organizations contributing to nearly all strands of G20 work.

The OECD’s engagement in the G20 is particularly evident through its role in the following areas.

The G20 is drawing upon the work of the OECD to continue efforts to promote tax information exchange. The OECD Global Forum on Tax Transparency and Exchange of Information is open to member and partner countries alike.46 They work together on exchanging information and monitoring this commitment.47

In accordance with the mandate entrusted by G20 Finance Ministers and Central Bank Governors in February 2011 in Paris, the OECD has taken the lead in developing common principles for consumer financial protection. G20 leaders confirmed in their Cannes Declaration in November 2011 the importance of this issue.48 The G20, with the support of the OECD and the Financial Stability
Board (FSB), addressed such issues such as the legal and regulatory framework for retail financial services, disclosure and transparency, financial education and awareness, and complaints handling and redress.49 G20 leaders endorsed the full application of high-level cross-sector principles on consumer financial protection and asked the OECD and the FSB to report on the progress of their implementation.50

Anti-corruption is a key element for promoting a fairer and cleaner world economy. The G20 action plan on anti-corruption focuses on the adherence and implementation of the two major international conventions on anti-corruption: the United Nations Convention Against Corruption (UNCAC) and the OECD Anti-bribery Convention.51 In 2011 we have seen the ratification by India of UNCAC,52 the joining by Russia of the OECD Working Group on Bribery,53 the enforcement of the U.K. Anti-bribery Act,54 and a sharpening of implementation instruments, such as the adoption by the U.S. Securities and Exchange Commission of rules for its whistle blowing protection program.55 Thanks to these developments, the G20 continues to lead by example. This is increasingly important for other areas of the world, such as the Middle East and North Africa, from where the OECD receives new requests for assistance in the fight against corruption.56
Investment is another illustrative example of the OECD's role as a standard setter. The G20 asked the OECD to monitor, with other international organizations, the countries' anti-protectionism pledge.\(^5\)\(^7\) Thereby, the G20 is showing confidence in the policy frameworks that the OECD is using in this context.

Employment and job creation is probably the most pressing policy problem. The OECD contributes with its work on new sources for growth and jobs, like innovation and skills, and labor market recommendations. It also works with the International Labour Organization (ILO) on skills and training strategies and addresses the specific problem of high youth unemployment. In addition, the OECD prepared the report, Seizing the Benefits of Trade for Employment and Growth, in collaboration with the World Trade Organization (WTO), World Bank, and the ILO.\(^5\)\(^8\) The report is the first of its kind to examine how open markets impact the employment of skilled and unskilled workers and demonstrates the overall benefits of open markets.\(^5\)\(^9\) The G20 leaders therefore decided to create a G20 task force with a priority focus on youth unemployment.\(^6\)\(^0\)

At the G20 Seoul Summit, G20 leaders decided to place development issues at the core of the G20's work and agreed on the Seoul Development Consensus and a related multi-year action plan to address the alleviation of poverty with a comprehensive approach.\(^6\)\(^1\) The OECD is co-leading the coordination process in several pillars, including food security with the U.N. Food and Agriculture Organization (FAO), trade with the WTO, knowledge sharing with the U.N. Development Programme, private investment and job creation with the U.N. Conference on Trade and Development and the World Bank, and human resource development with the ILO and the U.N. Educational, Scientific and Cultural Organization (UNESCO).\(^6\)\(^2\)

Food security and price volatility is a field where more transparency and better international cooperation could lead to better outcomes for the people. For the recent G20 Agriculture Ministerial,

\(^{57}\) Cannes Summit Final Declaration, supra note 10, ¶ 65.


\(^{59}\) See generally id.

\(^{60}\) See also Cannes Summit Final Declaration, supra note 10, ¶ 3 (setting up the G20 task force and requesting OECD assistance).

\(^{61}\) Seoul Summit Leaders' Declaration, supra note 8, ¶ 9.

together with the FAO, the OECD published a report on food security and price volatility that takes a comprehensive approach, looking at causes and consequences of high and volatile prices and proposes policy options both to mitigate price volatility and to help manage its impacts, particularly on those most vulnerable.\textsuperscript{63}

The framework for strong sustainable and balanced growth is another example of OECD engagement. The OECD is working on recommendations for growth-enhancing structural policies.\textsuperscript{64} Many of these policies yield a triple dividend.\textsuperscript{65} They boost growth, improve the fiscal balance, and narrow global imbalances.\textsuperscript{66} In the current juncture the focus on "go structural" will provide an additional space to foster growth as the room for maneuver on the fiscal or monetary policy side is limited at the moment.

Phasing out of fossil fuel subsidies is a final example of OECD activity. G20 leaders have taken the initiative to rationalize and phase out over the medium-term inefficient fossil fuel subsidies that encourage wasteful consumption.\textsuperscript{67} Fossil fuel subsidies are expensive and ineffective at achieving their intended social objectives.\textsuperscript{68} They tend to benefit middle and high-income households more than the poor, and are environmentally damaging.\textsuperscript{69} As governments around the world are striving to cut budget deficits following the crisis, phasing-out fossil fuel subsidies makes economic sense. Recent OECD work was reflected in three joint reports to G20 leaders: the first prepared by the OECD, International Energy Agency (IEA), World Bank, and Organization of the Petroleum Exporting Countries (OPEC) and delivered to the June 2010 Toronto Summit;\textsuperscript{70} the second developed by IEA, OECD, and World Bank and delivered to the November 2010 Seoul Summit;\textsuperscript{71}
Another positive outcome of the G20 is that intergovernmental organizations are encouraged to work together in the frame of G20 mandates. This creates synergies and maximizes the effect of the organizations’ individual expertise and experience. It also avoids the syndrome of “one issue per institution” that characterized the global agenda before the crisis, and that contributed to it. International organizations working together ensure a higher level of coherence. The OECD cooperates closely with a large number of international organizations in the support of the G20 process. For example, the OECD and the FAO coordinated the preparation of a joint report on commodity price volatility in close cooperation with eight other international organizations. This report served as a basis for the Action Plan on Food Price Volatility and Agriculture, endorsed by G20 Agricultural Ministers in June in Paris.

Some of the OECD’s key partners in the G20 are also the ILO (cooperation on employment issues), the World Bank (cooperation on development, corruption issues, fossil fuels), UNESCO (human resource development), and the International Monetary Fund (cooperation through the framework for growth). The OECD is working with these other international organizations to promote the coherence of the OECD work and has been meeting on an annual basis following an invitation from Chancellor Merkel in 2007. This spirit of cooperation and coherence serves the G20 in many policy areas.

In order to remain effective, the OECD believes that the G20 should continue to leverage the work of international organizations to reach consensus on difficult issues in the world economy. “Socializing” different standards and broadening their scope of application is important on our common path to achieve a rules-based international economy. The OECD will continue to offer its

72. See generally Fossil Fuels Report Update, supra note 68.
73. See generally Price Volatility, supra note 63.
75. See Angel Gurría, Secretary-General, Org. for Econ. Co-operation & Dev., Remarks on the Renewal of the OECD Secretary-General’s Mandate by the OECD Council (Sept. 30, 2010), available at http://www.oecd.org/document/59/0,3746,en_21571361_44315115_46132027_1_1_1_1,00.html.
expertise and support to develop better policies for better lives in a very concrete way, taking into account the different circumstances of the countries around the G20 table.