



Italian G20 Presidency

Second G20 Finance Ministers and Central Bank Governors meeting

**Annex I: Third Progress Report
on the G20 Action Plan**

April 2021



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The G20 Finance Ministers and Central Bank Governors (FMCBGs) endorsed on 15 April 2020 the *G20 Action Plan*, which sets out the key principles guiding the G20 response and its commitments to specific actions to drive forward international economic cooperation as we navigate this crisis and look ahead to a robust, sustained and inclusive global economic recovery.

G20 FMCBGs committed to regularly review, track implementation, update and report on the *G20 Action Plan* in upcoming FMCBG meetings. To deliver on this commitment, this report outlines the progress made on the *G20 Action Plan* and its October update.

Pillar 1: Health Response – Saving Lives

G20 members have continued to take action to bring the spread of the virus under control, especially as its new variants are emerging. They have also worked to strengthen health systems to help minimize the impact on other immunization programmes and essential services.

To accelerate the research, development, manufacturing and equitable distribution of COVID-19 vaccines, therapeutics and diagnostics and personal protective equipment, the G20 has enhanced its support to the Access to COVID-19 Tools Accelerator (ACT-A) and its COVAX Facility. This strong global commitment has contributed to the development of safe and affordable COVID-19 vaccines within just 12 months since the discovery of the virus. Several G20 countries have made further commitments to the ACT-A, bringing the total of G20 pledges to USD 8.6 billion, as of 26 March 2021. In addition, many members have promised to share vaccine doses with other countries. Despite these achievements, there is still a funding gap of USD 22.1 billion to fund the ACT-A in 2021, with a negative impact on testing, treatment, health systems and medical supplies, which are equally important instruments to bring the current pandemic under control.

Most G20 members and a number of Developing and Emerging Countries have started vaccination rollouts, but there is still no sufficient availability of doses for all, and the paces of vaccine deployment are uneven across countries. COVAX Partners have been crucial to procure vaccines, develop country readiness and delivery plans and establish a legal framework enabling the first vaccine rollouts in Low-Income and Lower-Middle-Income countries. Several G20 members have also delivered substantial amount of vaccines outside the COVAX mechanism.



Furthermore, the G20 agreed on the need to strengthen the supply side and started to boost national manufacturing of vaccines, therapeutics and diagnostics including through voluntary licensing and dissemination of technology and know-how, in accordance with World Trade Organization (WTO) rules.

In this context, the recent publication of the 2021 Access to Medicine Index provides transparency and accountability with respect to the behaviour of pharmaceutical companies during the current pandemic, including their participation in the ACT-A initiative and its COVAX Facility.

Since the G20 laid the groundwork for the control of, and fight against, the pandemic, it has also increased its focus on the medium-to-long term issues, with the aim of enhancing resilience against future shocks. A *G20 High Level Independent Panel* (HLIP) on financing the global commons for pandemic preparedness and response was therefore mandated to: (i) identify the gaps in the financing system for the global commons for pandemic prevention, surveillance, preparedness and response; (ii) propose actionable medium-long term solutions to meet these gaps on a systematic and sustainable basis.

The Multilateral Development Banks (MDBs) have taken actions to deliver on their commitment to strengthen their financial support for countries' access to COVID-19 tools. Beyond the *Multiphase Programmatic Approach* (MPA), launched in October by the World Bank (WB), which devoted additional USD 12 billion to support countries purchasing vaccines and strengthening health systems for vaccine deployment and the International Finance Corporation (IFC), is also providing USD 4 billion through its Global Health Platform. The Inter-American Development Bank (IADB) have committed to mobilizing USD 1 billion in 2021 to help Latin American and Caribbean countries acquire and distribute COVID-19 vaccines. Moreover, the Asian Development Bank (ADB) has launched a USD 9 billion vaccine initiative – the Asia Pacific Vaccine Access Facility (APVAX). While acknowledging the value of these efforts, the G20 encourages MDBs to adopt a more coordinated approach and be further integrated with ACT-A eligibility criteria.

The G20 membership recognized immunization against COVID-19 as a global public good. They reaffirmed the important mandates of the United Nations' system and agencies, primarily the World Health Organization, and their commitment to full compliance with the International Health Regulations (IHR 2005), and reiterated the commitment to: (i) the *G20 Shared Understanding on the Importance of Universal Health Coverage (UHC) Financing in Developing Countries*; (ii) to tackling antimicrobial resistance in line with the One Health Approach. Building on these commitments, a Joint Finance and Health Ministers' Meeting will be held in October 2021.



Pillar 2: Economic and financial response – support the vulnerable and maintain conditions for a strong recovery; and Pillar 3: Returning to strong, sustainable, balanced and inclusive growth once containment measures are lifted.

In response to significant economic disruption from the crisis, G20 members have taken, and continue to take, unprecedented measures to mitigate the impact of the pandemic on business revenues and household incomes, as well as to protect the most vulnerable segments of society. While G20 members are at different stages in responding to the crisis, the International Monetary Fund (IMF) notes that some countries' support measures have included policies to assist labour reskilling and reallocation, help small businesses access credit, and infrastructure investments; these will help to minimize economic scarring and contribute to inclusive growth as containment measures are lifted.

The IMF notes that, as of early March 2021, G20 economies have announced around USD 12.7 trillion in fiscal support measures – including about USD 7.2 trillion in additional spending and forgone revenue (but not including the recently approved American Rescue Plan totaling USD 1.9 trillion). While fiscal interventions initially focused on emergency relief measures, subsequent packages of fiscal support have adapted to the evolving nature of the crisis. The size and composition of fiscal support has differed across countries, based on variation in fiscal space and the impact of the health crisis, as well as other factors, such as the size of welfare systems, social protection systems, and other automatic fiscal stabilisers.

Most G20 advanced economies and a few emerging market economies now have multi-year fiscal packages in place. Actions to more explicitly support reallocation remain an objective that will be addressed as the recovery takes hold. The focus of policy action in some cases has shifted from the adoption of new emergency relief to extending and adjusting existing policies to make them more targeted, as well as adapting them to evolving circumstances. In part, this reflects the need to reduce the trade-off between not withdrawing assistance too sharply and maintaining aid in a context of reduced fiscal space. Several members have urged that policy support be maintained until the economic crisis is firmly behind us, while other members indicated measures to raise revenue and consolidate spending in the medium term to ensure long-term fiscal sustainability, while ensuring debt as a share of Gross Domestic Product (GDP) is on a sustainable path. The IMF expects deficits to remain large, but decline, across G20 members, and for debt to GDP ratios to continue to rise.

G20 central banks responded to the crisis by reducing interest rates and engaging in large-scale asset purchases¹ with the latter implemented in some economies for the first time. In combination with increased flexibility by financial regulators, monetary policy actions have helped to maintain the flow of credit and liquidity to the economy. As a result, global financial conditions eased, increasing policy space in most countries. Swap agreements between major central banks have also helped to maintain global access to dollar funding. Central bank policies remain accommodative in line with central bank mandates. Central banks remain committed

¹ The increase in G20 advanced economies' central bank balance sheets totalled about USD 9.1 trillion as of early March 2021, while the increase for G20 emerging markets' was about USD 100 billion by February 2021 (IMF, 2021).



to price stability and to limiting risks to financial stability. As noted by the IMF, long-term interest rates have recently risen in advanced economies, together with renewed capital flow volatility. The Financial Stability Board (FSB) notes that while global financial conditions have continued to ease overall on the back of decisive policy action, economic uncertainties and risks to global financial stability remain elevated. This reinforces the case for a continued commitment to close international cooperation to help maintain global financial stability. In this context, as noted by the IMF, careful monitoring of unintended spillovers of policy measures (including from advanced economies to emerging and developing markets) is also pertinent – especially against the backdrop of a staggered pace of recovery.

The IMF's January 2021 forecast revised up global growth in 2021 by 0.3 percentage points relative to the previous forecast (to 5.5 percent), reflecting additional policy support in a few large economies and expectations of a vaccine-powered increase of activity later in the year, which outweigh the drag on near-term momentum due to rising infections. According to the Organization for Economic Cooperation and Development (OECD), the advanced economies of the G20 are likely to reach the pre-pandemic level of output in the middle of 2021, although there is considerable variation across other countries. Uncertainty remains over the pace of the recovery, in part linked to the supply and equitable rollout of vaccines across the world and the risk of new, potentially vaccine resistant, variants.

The OECD highlights that job retention schemes (JRS) have played a key role in cushioning the impact on the labour market in many G20 countries in the first phase of the COVID-19 crisis. At their peak use in the spring of 2020, up to a third of workers were on JRS in several G20/OECD countries; the number of workers on JRS subsequently declined through to September, before increasing slightly in November and December². G20 members have adopted various measures to mitigate the impact of COVID-19 on the labour market by increasing resources devoted to active labour market policies to support individuals that are out of work to re-train or find a job.

G20 countries have had to operate in new ways as restrictions have disrupted previous ways of working, which has led to the adoption of new production and consumption patterns. However, not all businesses, workers (particularly low skilled and services workers), and consumers have been equally able to adapt. Credit to the most vulnerable households and to small and medium-sized enterprises (SMEs) has been an important focus of members' measures. Governments put in place ambitious support for SMEs and entrepreneurs, primarily aimed at avoiding a liquidity crisis through deferrals of payments and financial support via debt or equity channels. As social distancing and remote working became widespread, many G20 governments also included measures in their recovery packages to boost digitalization, including measures to boost broadband capacity, expand internet access – particularly in rural regions – and support the nationwide rollout of 5G networks, as well as the digitalization of SMEs and stronger incentives for investing in innovation and Research and Development.

² The simple average of the share of employees dependent on a JRS across the OECD's sample of 23 countries was 17.1% in the Spring. This cross-country average fell to 3.8% in September, but then rose to 4.5% by November/December. More detail provided in: <http://www.oecd.org/coronavirus/policy-responses/supporting-jobs-and-companies-a-bridge-to-the-recovery-phase-08962553/>



The OECD highlights that from the second half of 2020, most G20 advanced economies began to shift their support towards recovery and resilience, rolling out wider recovery packages that focused on productivity-enhancing reforms. Since then, however, new waves of the pandemic have forced G20 economies to postpone the phasing out of crisis measures and to extend and sometimes intensify emergency support for SMEs, especially in the last quarter of 2020 and the first quarter of 2021. While this will help mitigate the economic effects of the pandemic and support inclusive growth once recoveries materialize, it may also have kept some unviable firms afloat, which risks limiting future productivity growth. When country-specific circumstances allow, members will thus need to return to considering how best to support re-allocation and address the implications of the pandemic for productivity, employment and growth.

An environmentally sustainable and resilient recovery is another long-term global challenge starting to be addressed through recovery measures. A large number of stimulus measures are likely to have positive environmental impact; but many stimulus measures have also been designed in line with business-as-usual approaches. Here, it is important to ensure that, to the extent possible, recovery measures are green, environmentally friendly, and aligned with longer-term climate change goals as envisaged under the Paris Agreement.

Overall world trade recorded a drop in value of about 9 per cent in 2020. Throughout the COVID-19 crisis, trade in services has been more negatively impacted than trade in goods, which remained the case as overall trade began to recover in the second half of 2020. In addition, while trade and global value chains have remained relatively resilient compared to output going into the first quarter 2021, there are signs of potential bottlenecks in supply chains – from ocean freight (caused by the uneven recovery in global trade) and semiconductors (caused by the unexpectedly rapid recovery of demand for goods and shifts in the structure of demand) to the distribution of vaccines, therapeutics and diagnostics, and other essential medical supplies (caused by associated regulatory frameworks combined with last mile distribution and needed supplies for delivering the vaccine).

The WTO notes that, while there are a number of challenges to global trade, most are not directly related to trade policy developments. The WTO reports that since the start of the pandemic there have been 348 COVID-19 related trade and trade-related goods measures put in place, 64 per cent of which were trade-facilitating and 36 per cent of which were trade-restrictive. Of the 125 trade restrictive measures put in place by WTO members, 109 restricted exports. 53 per cent of these export restrictions have been phased out to date. While this shows members have taken some steps to address trade restrictive measures put in place in response to COVID-19, many such measures remain in place with no target date set for their removal. This includes certain restrictions on the trade of critical goods.

FSB principles continue to guide countries' overall financial responses to COVID-19, and coordination of the response and recovery measures taken by G20 members has discouraged unilateral actions that could distort the level playing field and lead to market fragmentation. Most temporary measures taken to deal with the COVID-19 shock use the flexibility available



in international standards. There is a continued need to address vulnerabilities exposed by the COVID-19 shock in certain aspects of non-bank financial intermediation, in order to strengthen resilience. A report to the G20 on initial lessons learned from the pandemic for financial stability and a new workstream on USD funding and vulnerabilities in emerging market economies will consider potential procyclicality of credit rating downgrades as well.

The pandemic had a disruptive effect on many infrastructure networks and social facilities. Infrastructure is expected to have a critical role in the recovery phase, setting the ground for a more sustainable and inclusive development. In 2021, the Infrastructure Working Group (IWG) has committed to make efforts to promote quality infrastructure investments to support the recovery phase, help create jobs and ensure that essential services are provided in an efficient, inclusive and sustainable way. To this end, G20 members have responded to a member-led Global Infrastructure Hub (GIH) survey, whose outcomes fed into a GIH report which demonstrated the benefits of Quality Infrastructure Investment or exemplify good practice across sectors.

The GIH is providing three interrelated tools to assist policymakers in making better informed decisions about including infrastructure investments in stimulus packages. *InfraTracker* is a digital tool designed to illustrate trends and insights into how countries are investing in infrastructure as a stimulus to post-COVID-19 recovery. Preliminary findings from the *InfraTracker*, which are based on relevant announcements collected by the GIH, show that more than USD 2 trillion in infrastructure-related stimulus measures has been announced by G20 economies, out of which the Information and Communication Technologies, transport and social infrastructure sectors have the greatest proportion. Around 80 percent of this can be linked to transformative infrastructure, with most announcements falling under the sustainable infrastructure or digital/InfraTech categories. The GIH has also commenced work to produce two accompanying Compendia that outline how governments have funded and financed infrastructure during other crises, and how investment in infrastructure can be deployed to achieve transformative outcomes.

Infrastructure, including digital infrastructure, will play a critical role in shaping a transformative recovery. With support from the OECD, which is working to provide two accompanying reports on high quality broadband networks and bridging digital divides, members are developing a set of voluntary and non-binding guidelines for financing digital infrastructure.

The pandemic has highlighted concerns regarding the infrastructure investment gap and the need to mobilize private sources for infrastructure financing. In line with the *G20 Roadmap to Infrastructure as an Asset Class*, the IWG continues to promote, in a flexible manner, the dialogue between the public and private sectors and explore innovative means to finance infrastructure. This dialogue also aims at ensuring that the resources spent on infrastructure meet both short- and long-term objectives and puts economies on a path of sustainable recovery while ensuring creation of jobs. Building on the G20 Leaders Riyadh Summit Declaration, the collaboration with institutional investors and asset managers, initiated with the *G20/OECD Report on the Collaboration with Institutional Investors and Assets Managers on Infrastructure*, is continuing



through a *2021 G20 Infrastructure Investors Dialogue*, to be held in June 2021, to strengthen the alignment of private investors to the G20's policy agenda on infrastructure investment. The event will be organized with the support of the OECD and the D20 Long-Term Investors Club and focus on sustainable infrastructure investment for the recovery. Works on sustainable infrastructure were also fed by an IMF note on “*Environmentally sustainable investment for the recovery*”, with a focus on the opportunities in terms of job creation, and a GIH workshop on “*Mobilising infrastructure investments for a transformative recovery*”, introducing a new analytical tool dedicated to identifying Innovative Funding and Financing (IFF) solutions for infrastructure projects.

Infrastructure for social inclusion has a crucial role in the COVID-19 era, as much infrastructure is provided by local authorities which, due to their proximity to communities, are better positioned to meet the needs of all citizens and to address inequalities. Two dedicated IWG-related workshops on funding local infrastructure and on local sustainable and resilient infrastructure, organized respectively by the International Affairs Institute and Bruegel, have facilitated the dialogue with representatives of local authorities to share experiences and shape more effective relationships with national governments, development banks and private investors.

In continuity with previous G20 FMCBG Communiqués, the IWG is taking forward work to address workstreams on bridging the data gaps and the continued exploration of possible QII indicators.

The deliverables envisaged in the *G20 2020 Financial Inclusion Action Plan* for 2021 aim at addressing the disproportionate economic and social impact of the crisis on the most vulnerable and underserved segments of the society, and on micro, small and medium enterprise (MSMEs) and at considering policies to reduce new financial exclusion. Under Italy's G20 Presidency, the Global Partnership for Financial Inclusion (GPMI) is working on a menu of policy options based on actual measures implemented by member countries that have proved successful in tackling the new challenges posed by the pandemic crisis amid the increased digitalization of financial services. The aim is to provide viable and operational solutions for: (i) improving financial inclusion and resilience of individuals and MSMEs through effectively increasing the awareness on the opportunities and risks of digital finance; and (ii) improving conduct supervision and protection of both financial consumers and MSMEs, to foster a responsible digital financial inclusion for all. For these purposes and building on past work, GPMI partners will undertake new surveys, stock takings and other analyses to collect country-level examples and present gaps, risks, and opportunities.

The GPMI has been mandated by G20 Leaders to monitor country progresses towards the continued facilitation of the flow of remittances also by supporting country-led actions to reduce average remittance transfer costs. As part of this work, the GPMI continues to lead on the National Remittance Plans (NRPs) process, which has involved an annual progress report in November 2020. In October, the GPMI will release the biennial update of the NRPs with a particular focus on the analysis of the impact of COVID-19 on remittances flows.



Pillar 4: International support to countries in need

Since April 2020, the G20 has led the effort of the international community to deploy strong support to countries in need, with a progressive adaptation of this support to the evolving stages of the crisis.

1) In the first stage of the crisis, G20 FMCBGs called on and supported the quick disbursement of emergency financing from the International Financial Institutions (IFIs) and agreed on a *Debt Service Suspension Initiative (DSSI)* to the benefit of the poorest countries.

In line with G20 FMCBG calls and support, the IFIs have continued to deploy important emergency financing, building on the efforts in the period up to October 2020.

- The IMF has significantly increased its financing, including through temporary doubling the access limits to its Rapid Credit Facility (RCF) and Rapid Financing Instrument (RFI), and significantly raising the normal annual access limits under both the General Resource Account (GRA) and the Poverty Reduction and Growth Trust (PRGT). Since the start of the crisis, requests from 85 countries for IMF financing have been approved for a total of Special Drawing Rights (SDR) 77.7 billion. Total lending commitments amount to SDR 200 billion as of March 15 2021. Formal pledges and effective new loan resources for the PRGT have been received for about SDR 17 billion and new subsidy resources are being sought to support zero interest lending to PRGT-eligible countries. For the Catastrophe Containment and Relief Trust (CCRT), pledges received have allowed the IMF to provide debt relief for 29 of the poorest and most vulnerable countries, amounting to SDR 520 million. Other contributions are sought.

- MDBs have committed a USD 230 billion financial package to support low income countries and emerging market economies addressing the pandemic, out of which USD 75 billion were committed for countries eligible to the DSSI for the period April to December 2020 alone. MDBs have also the capacity to provide financial support in the order of USD 360 billion until the end of the calendar year 2021.

In addition, G20 FMCBGs agreed in April 2020, and have implemented since then, the *Debt Service Suspension Initiative (DSSI)* for the poorest countries, which is also agreed and implemented by the Paris Club. Through the first phase of this initiative, debt service payments falling due from May 1st to December 31st, 2020, have been suspended for all eligible countries requesting forbearance. In 2020, 46 countries requested to benefit from the DSSI, amounting to an estimated USD 5.7 billion of debt service deferral. In light of the continued liquidity pressure, while progressively addressing debt vulnerabilities, G20 FMCBGs agreed, in October 2020, to extend the DSSI by 6 months into 2021, and to examine by the time of the 2021 IMF/World Bank Group (WBG) Spring Meetings if the economic and financial situation requires to extend further the DSSI by another 6 months; these decisions are also agreed by the Paris Club. As of 15 March 2021, 45 countries have requested to benefit from the DSSI



extension. Information on the estimated amount of the debt service deferral is being collected and will be made available in due course.

The IMF and WBG have developed a fiscal monitoring framework to ensure that the additional fiscal space created by the DSSI is used to mitigate the social, health or economic impacts of the crisis. On this basis, they have highlighted in October 2020 that, together with exceptional financing, the DSSI is significantly facilitating higher pandemic related spending.

The IMF and WBG have also been working on their proposal of a process to strengthen the quality and consistency of debt data and improve debt disclosure, and G20 FMCBGs are looking forward to further efforts in this area.

2) Building on the successful emergency responses, G20 FMCBGs are taking additional actions and adopting a progressively longer term structural approach.

Given the scale of the COVID-19 crisis, the significant debt vulnerabilities and deteriorating outlook in many low-income countries, G20 FMCBGs recognized that debt treatments beyond the DSSI may be required on a case-by-case basis. In this context, they endorsed the *Common Framework for Debt Treatments beyond the DSSI*, which is also endorsed by the Paris Club. To date, three DSSI-eligible countries have requested a debt treatment under the *Common Framework* to their G20 and Paris Club creditors. Work is underway for creditor committees to be formed for each country.

The G20 International Financial Architecture (IFA) Working Group has reaffirmed its support to the four pillars of the IMF-WBG Multi-pronged approach for addressing debt vulnerabilities, covering the work on debt transparency, capacity development, analytical tools and debt policies. It will be updated as needed by the IMF and the WBG on this important work with the view to enhancing debt transparency and sustainability. The timeline associated to the second exercise of voluntary self-assessment of the implementation of the *G20 Operational Guidelines for Sustainable Financing* has also been presented by the IMF and the WBG to the G20 IFA Working Group members.

In addition, G20 FMCBGs agreed to continue to support the ongoing work of the IMF, the WB and Regional Development Banks, to continuously adapt their response to the evolving stages of the crisis. On February 26 2021, G20 FMCBGs have reiterated their call on the IMF to explore additional tools that could serve members' needs, drawing on relevant experience from previous crises. They agreed that the IMF should formulate a proposal for a general SDR allocation and related implementation modalities.

Thanks to the swift implementation of domestic measures by participants, the doubling of the New Arrangements to Borrow and the new round of bilateral borrowing agreements have also entered into force and help maintain the IMF's current resource envelope. The G20 remains committed to revisiting the adequacy of quotas and continuing the process of IMF governance



reform under the 16th General Review of Quotas, including a new quota formula as a guide, by 15 December 2023.

Beyond the crisis response, and in line with the call by G20 FMCBGs, the IMF has prepared an analysis of the external financing needs in Low Income Countries (LICs) in the coming years and sustainable financing options. **The analysis estimates that in addition to the needs embedded in the World Economic Outlook projections, LICs would require an additional USD 200 billion between 2021 and 2025 to step up the response to COVID-19 and build minimum buffers.** Accelerating convergence with advanced economies would require an additional USD 250 billion. A downside scenario of a slower global recovery could add a further USD 100 billion to these financing needs. The analysis also highlights that, because of debt sustainability concerns, LICs could cover only part of these needs through additional borrowing, the rest would need to be financed through other sources. These findings **will inform our strategy to help fill the sizeable financing gap.** The WBG is scaling up its work and will further deploy instruments in new ways to mobilize private financing to these countries, particularly through the promotion of political risk insurance and other tools to promote risk-sharing. To this end, a Stock-take report of best practices of MDBs and specialized Multilateral Insurers in political risk insurance and other insurance solutions was developed.

Moreover, a workshop on country platforms' pilots has been conducted in December 2020, following the 2020 Riyadh Leaders' Summit, as part of the follow-up on the implementation of country platforms' pilot projects by MDBs in voluntary countries.

MDBs were asked to make concrete proposal in order to optimize further their balance sheets to help scaling up development finance. Complementary, the IFA Working Group discussed the opportunity of exploring reviews of capital adequacy frameworks, while preserving MDBs' credit ratings.

In line with the G20 FMCBG commitment, the G20 work in coordination with relevant International Organizations continues to contribute to the global financial resilience, particularly through developing domestic capital markets and harnessing the benefits while also managing risks associated to capital flows. The ongoing strengthening of policy advice and technical assistance in the area of capital flow management will continue to contribute to safeguarding financial stability. To this end the IMF presented recent capital flows developments and policy responses in emerging markets. The discussion also touched on the forthcoming review of the IMF's Institutional View on the liberalization and management of capital flows. The use of flexible policy responses measures against volatile capital flows was also discussed by the IFA WG.

Lastly, work is ongoing to further enhance policy and operational coordination across all relevant international organizations at multilateral, regional and country level.



Pillar 5: Lessons for The Future

As per the commitments in the *G20 Action Plan*, International Organizations continue to monitor relevant areas – including the inclusive recovery, structural re-allocation and productivity enhancing reforms, long-term fiscal sustainability, financial stability, trade, and emerging global risks – and update on member progress towards commitments.

Maintenance of infrastructure assets is a key element to increase the resilience of infrastructure networks against various risks (natural disasters, obsolescence and other). Yet spending on maintenance has been inadequate – in both developed and emerging countries. Hence, the IWG is working on a *G20 Policy Agenda on Infrastructure Maintenance*, a menu of voluntary and non-binding policy tools to improve planning, funding and implementation of maintenance, as well as to preserve infrastructure assets over their lifecycle. Members are submitting case studies to inform this menu with concrete applications and lessons learned from their respective experience. The *G20 Policy Agenda* will be accompanied by two background studies, currently being prepared by the OECD and the WB, to provide a conceptual framework to re-think resilience in light of the ongoing COVID-19 crisis and offer evidence on the negative implications of inadequate or deferred maintenance.

Way Forward

The *G20 Action Plan* is a living document and G20 FMCBGs will continue to review, update, track implementation of and report on it. This approach will ensure timely implementation of revisions to the *G20 Action Plan* so that commitments reflect the situation we face. We will regularly review progress in 2021.