THINK20 INDIA
COMMUNIQUÉ

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ONE EARTH • ONE FAMILY • ONE FUTURE

CONTENTS

ACKNOWLEDGEMENTS

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PREAMBLE

The global economic and political situation is in a state of turmoil, reeling from a multitude of cascading and connected crises and standing on the brink of a 'global polycrisis'.[a] The complexity of the situation lies in the collision of interconnected challenges: the long-term repercussions of the COVID-19 pandemic; the energy, food, and fertiliser crises propelled by evolving geopolitical dynamics; and the increasing impacts of climate change. These global risks are leading to increased fragmentation in geopolitical and geo-economic relationships. It is important to redouble efforts towards multilateral cooperation to deliver effective solutions to these challenges. Fundamental to such effort is effective collaboration to mitigate the negative impact of a fractured global order on the development agenda, especially for the Global South.

India's motto for its G20 presidency, '*Vasudhaiva Kutumbakam*' or 'One Earth • One Family • One Future', underlines the need for a cooperative approach to address the unprecedented challenges of the ongoing polycrisis. It is also a call for humanity to restructure its relationship with nature and identify new ways of managing economic systems that will not worsen the environmental challenges confronting the world today, but in fact help address them.

The Indian Presidency has identified certain priorities for immediate G20 action: green development, climate finance, women-led development, Lifestyles for Environment (LiFE), data for development, digital transformations, and reform of multilateral institutions. The seven Task Forces of the T20 were framed around these priorities. In this Communiqué, the recommendations are structured to reflect the priorities of the T20 Task Forces and working groups to strengthen the links between the T20 outcomes and the G20 agenda. This document is a call to action and outlines a set of policy proposals for G20 decision-makers.

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[a] https://www.weforum.org/agenda/2023/03/polycrisis-adam-tooze-historian-explains/
The term, popularised by historian Adam Tooze, implies that humanity is dealing with a complex knot of seemingly distinct yet intertwined crises, whose integrated impact exceeds the sum of each part.

RECOMMENDATIONS
AT A GLANCE

MACROECONOMIC AND TRADE POLICY COORDINATION

The G20 Finance Track must take up the task of information monitoring on global risks to macroeconomic stability to create early warning systems.

The Digital Economy Working Group (DEWG) should set up a G20 Platform on Digital Trade to ensure World Trade Organization (WTO) agreements are modernised to serve the needs of the digital world.

The Trade and Investment Working Group (TIWG) should work closely with the DEWG and the Environment and Climate Sustainability Working Group to ensure formulation of practical policies and interventions on new trade issues like digital and green trade, amongst others.

AFFORDABLE, ACCESSIBLE AND INCLUSIVE DIGITAL PUBLIC INFRASTRUCTURE

G20 members should leverage public-private partnership models to strengthen joint and in-country initiatives for building Digital Public Infrastructure (DPI) ecosystems that are scalable, open-access, and innovation-friendly.

A G20 Working Group on DPI should be set up under the Sherpa Track for members to jointly create and share models for DPI.

Digital skilling and entrepreneurship must be accorded high priority and targeted programmes put in place to skill, upskill and reskill people.

LIFE, RESILIENCE AND VALUES FOR WELL-BEING

The G20 must address financial flows for physical, social, digital and energy infrastructure from the perspective of sustainability, resilience, circularity, inclusivity, rural-urban balance, and trans-species balance. Emphasis must be placed on ethical considerations for infrastructure financing and technology-led solutions.

The G20 must set up a joint programme of the Environment and Climate Sustainability Working Group and Health Working Group to improve health outcomes of humans, animals, and ecosystems.

The G20 must establish an ecosystem at the global, national, and local levels to de-risk sustainable low-carbon infrastructure and promote, govern, and finance disaster-resilient infrastructure projects that align with the LiFE approach based on Environmental, Social and Governance (ESG) norms, especially in the Global South.

MAINSTREAMING WOMEN LED DEVELOPMENT

Gender inequality remains a significant impediment to achieving sustainable and equitable growth. To foster increased female workforce participation and support economic empowerment, the G20 must help countries implement a comprehensive set of policies centred around improved gender budgeting, enhancing women's employability in emerging and growing sectors, and promoting gender-transformative employment policies, with a particular focus on women in the informal economy.

The G20 should work with MDBs, DFIs, and International Financing Institutions (IFIs) to promote a specialised fund to finance women-owned micro/small enterprises across all G20 countries, facilitated by regional and/or through triangular development cooperation.

The G20 should focus on developing a well-thought-out, well-governed, and inclusive care system that is affordable for the poorest segments of society. This system should be supported by both public and private financing and focus on creating decent work opportunities within the care sector and enabling greater economic participation of women with family responsibilities.

CLEAN ENERGY AND GREEN TRANSITIONS

G20 Energy Ministers should work towards moving beyond the technology transfer paradigm and collaborate to create models of technology co-development, wherein stakeholders across countries jointly develop and own technologies that can accelerate the energy transition.

Integrate linkages between energy transitions and the Sustainable Development Goals by strengthening cooperation between the Energy Transition Working Group (ETWG), the Environment and Climate Sustainability Working Group, and the Development Working Group (DWG) to identify solutions to address trade-offs and synergise interconnections between SDGs and climate action.

The G20 must work towards encouraging existing and newer formats of cooperation to further efforts towards reduction of greenhouse gas (GHG) emissions. The ETWG and the TIWG must work together to encourage countries to practice non-discriminatory trade policies.

CATALYSING CLIMATE FINANCE

Developing and emerging economies, except China, will require US$2.4 trillion a year by 2030 (6.4 percent of global GDP) to achieve their climate action targets. This will require reorienting public investment towards climate action, mobilising greater private finance, reforming Multilateral Development Banks (MDBs), and expanding the scope of concessional finance.

The G20 should establish mechanisms for tracking global financial flows across countries to ensure accountability of developed nations in meeting their climate finance commitments.

Reducing the cost of capital for green projects in emerging and developing economies needs to be prioritised in the global climate discourse. The G20 should establish targeted initiatives, such as a Green Development and Investment Accelerator, to streamline the pipeline of green projects and enhance de-risking efforts in developing economies, thereby facilitating their scaling up.

REASSESSING THE GLOBAL FINANCIAL ORDER

The G20 must restructure the international financial architecture to boost funds for developing countries so as to materially increase the quantum of finance and reduce the cost of capital for climate action and SDGs.

The G20 must encourage private participation in credit databases and court-based injunctions to prevent asset seizures under restructuring efforts. It must aim to provide preferred creditor status to all MDBs.

G20 Finance Ministers and Central Bank Governors (FMCBGs) could emphasise the need to increase MDBs' capacity to attract private capital by systematically deploying risk-mitigation tools and providing credit information to the market.

ACCELERATING FINANCE FOR GREEN DEVELOPMENT

G20 FMCBGs must articulate a mission for development finance that is geared towards low-carbon, climate-resilient, and socially inclusive growth and development.

The International Financial Architecture (IFA) Working Group could explore innovative mechanisms for debt relief, such as debt swaps and debt-for-climate swaps, and automatic climate linked clauses that can help countries address debt sustainability and environmental challenges simultaneously.

The FMCBGs should work with MDBs and Development Finance Institutions (DFIs) to scale up innovative instruments for SDG financing such as SDG Bonds and tradable SDG credits.

ACCELERATING SDGs

The G20 should work towards creating a framework to enhance coverage, adequacy and comprehensiveness of nutrition-sensitive social protection systems to support the most vulnerable, marginalised, and at-risk populations.

The G20 Health Working Group should consider setting up a Global Initiative on Digital Health to create a connected digital health ecosystem that converges global efforts in scaling up commitments and investments of relevant stakeholders and digital solutions as digital public goods (DPG).

Improved access to credible and timely data for SDG indicators are necessary for effective monitoring and policymaking. The G20 should establish principles and best practices for strengthening the capacities of national statistic offices to collect and disseminate data related to SDGs.

REFORMED MULTILATERALISM

The G20 should consider establishing an expert group with a mandate to devise concrete proposals for global governance reform, especially membership of the UN Security Council, the use of the veto power, and rules and status of non-permanent members.

The G20 should permanently include regional associations from underrepresented regions as members. In particular, on a priority basis, the African Union should be included as a member of the grouping.

The G20 TIWG should consider how it can enhance the WTO coordination with other bodies like the International Monetary Fund, the International Labour Organization, UN Conference on Trade and Development, and the World Bank with a view to achieving greater coherence in global economic policy-making as stipulated in the Marrakesh Agreement of the WTO.

POLICY RECOMMENDATIONS
FOR THE G20

MACROECONOMICS, TRADE, AND LIVELIHOODS

At a time of geopolitical volatility, security crises, and fragmentation in the global political economy, the G20 has a crucial role to play in supporting macroeconomic stability, and in coordinating members' efforts to engage with monetary, fiscal, trade, and investment policies. The intricate web of economic and financial risks at the global level calls for comprehensive solutions that are devised on a global scale. These interventions could augment employment and ensure better livelihoods.

To coordinate fiscal, trade and investment policies among countries, T20 India makes the following recommendations to the G20:

1. Monitoring of global financial and macroeconomic risks is key to identifying the appropriate domestic and international policies. The Data Gap Initiative is an example of a successful G20 initiative for data and information sharing among G20 members related to risk spillovers. The G20 Finance Track must now focus on ensuring consistency of information in the monitoring of global risks and utilise this information to create effective early warning systems.

2. The DEWG should set up a G20 Platform on Digital Trade to ensure that WTO agreements are modernised and made fit-for-purpose to serve the needs of the digital world; and to protect personal data, privacy, and national security without restricting trade. In fulfilling these legitimate objectives, the G20 must first build consensus amongst its members.

3. The G20 should encourage domestic regulatory coherence by implementing good practices including anticipating problems consulting stakeholders and discussing solutions. The G20 TIWG should propose the creation of a sub-working group dedicated to examining the services trade issues, possibly in collaboration with the WTO.

4. The G20, given its diverse membership, must attempt to build consensus on new trade policy issues such as green trade and digital trade. The G20 TIWG should work closely with the DWG and the Environment and Climate Sustainability Working Group, to ensure formulation of practical policies and interventions that have a development focus.

5. For resilient supply chains, G20 countries should develop policy and action plans to increase internal and cross-border agency collaboration to aid commerce and improve logistical connectivity through trade facilitation measures. The G20 TIWG should focus on encouraging the development of national logistics and supply chain infrastructure portals to integrate various modes of transport and build a seamless logistics network.

6. The G20 should promote free trade in environmental goods and services by supporting efforts to broaden and clarify the scope of environmental goods and services that could be subject to preferential trade treatment in international agreements in the G20 TIWG. It should promote greener trade and investment by enhancing standards, regulations and certifications; as well as expanding and deepening environmental commitments in trade agreements. Policies meant to reduce GHGs in manufacturing should avoid creating new tariff and non-tariff barriers to trade.

7. The G20 should consider policies for rationalising the tax base and assess the applicability of a targeted wealth tax and its re-distributive impacts through focused transfers to reduce material inequality and boost growth in consumption driven economies. In this context, the role of the international financial transaction tax (FTT) should also be assessed through a holistic cost-benefit analysis. The FTT, if used, should be designed in a manner that minimises its negative impact on financial transactions and helps increase tax revenue. This in turn will help boost growth and reduce inequality.

8. The G20s Employment Working Group needs to deliberate on a framework to provide social protection and adequate compensation for workers in the gig and platform economies. Social protection for gig workers and other workers in non-standard forms of employment must be accounted for as economic policies are formulated.

AFFORDABLE, ACCESSIBLE, AND INCLUSIVE DIGITAL PUBLIC INFRASTRUCTURE

Digital technologies have enormous potential to facilitate socio-economic growth and catalyse efforts to achieve the SDGs. However, the full socioeconomic benefits of these technologies can only be realised by improving access, making them more responsible by design, fostering digital skills and entrepreneurship for an emerging future of work, promoting financial inclusion, and building a comprehensive and just digital governance framework. The G20 nations must collaborate to incubate a governance framework that ensures equitable access to these technologies. Digital public infrastructure (DPI) is a powerful and practical tool for enabling and supporting the above priorities and unleashing public and private digital innovation at scale.

Towards building an open, competitive, fair and equitable digital society, T20 India offers the following recommendations to the G20:

1. G20 members should leverage public-private partnership models to strengthen joint and in-country initiatives for building DPI ecosystems that are scalable, open-access, and innovation-friendly.

2. The G20 must make efforts to develop DPIs and must prioritise the rights, security and safety of all human beings; be accompanied by enabling techno-legal approaches; involve an effective congruence between public policy and public technology; use interoperable protocols and technical standards; embed principles of data protection, privacy, and harm minimisation; explore sustainable financing models for DPIs; and ensure that DPIs themselves are accountable to a broad spectrum of stakeholders.

3. The G20 should support DPI-based and DPI-enabled digital innovations that can advance financial inclusion, social protection, and productivity gains, which encourage competition and prevent monopolies. This will help reduce economic and social inequalities.

4. A G20 Working Group on Digital Public Infrastructure should be set up under the Sherpa track for members to jointly create and share models for sustainable, inclusive, agile, and responsible DPI, and particularly to:

   a. Formulate a comprehensive plan for DPI governance (including the execution of concrete tasks such as crafting common minimum principles and market regulation, promoting investments, and evolving privacy guidelines).

   b. Coordinate the development of international standards, regulations, principles, and policies across hard and soft technology and infrastructure development in the domains of innovation, commerce, trade, and finance.

   c. Assess possible risks and vulnerabilities arising from the accelerated implementation of DPIs, and enhance DPI-related bilateral, regional, and multilateral cooperation.

   d. Disseminate best practices that could be implemented at the sectoral, national, and sub-regional levels; and ensure that other relevant G20 Working Groups and Engagement Groups are part of deliberations on DPI.

5. The G20 must accord high priority to digital skilling and entrepreneurship, with targetted programmes put in place for the skilling, upskilling and reskilling of employable people. Concomitantly, the curricula of academic and training institutions must be aligned more closely with evolving industry needs. Pursuant to the broad approach of the 2030 Agenda, digital entrepreneurship and transformations should seek to reduce the energy intensity of technology development and related ecosystems.

6. The G20 must maximise the potential of 'data for development'. G20 member states should jointly promote the use of open data (a digital public good), and more broadly, evolve mechanisms for pooling development data, while ensuring the latter's protection and security. Emerging and disruptive technologies must be leveraged optimally, both to rejuvenate legacy datasets and to create next-generation datasets. Finally, new funding processes ought to be explored for incentivising the creation of robust data ecosystems across the G20.

7. Across all its digital interventions, the G20 must provide particular attention and support to vulnerable and marginalised populations in order to bridge the digital divides of gender, language, ethnicity, education levels and disability. Reducing inequality in accessing the digital space will create opportunities, thereby promoting equity and distributive justice.

LIFE, RESILIENCE AND VALUES FOR WELL-BEING

As the impacts of climate change accelerate, the role of individual actions in enabling a shift to more sustainable consumption patterns will become even more critical. The inclusion of the 'Lifestyle for Environment' (LiFE) approach in the G20 agenda is an important step in mainstreaming sustainable consumption and production in the global policy discourse around environmental sustainability and climate change. The LiFE approach seeks solutions that are embedded in cross-sectoral sustainability perspectives while placing infrastructural resilience, access-equity-inclusion, ethics, inter-generational equity and trans-species balance at the core of inclusive and sustainable solutions. To restore universal well-being imperatives, strong sustainability frameworks for transparent, equitable, and efficient management and regulatory governance are vital towards building a new model of development based on High-level Principles on Lifestyles for Sustainable Development.

To integrate LiFE frameworks for advancing sustainable consumption and sustainable growth, T20 India outlines the following recommendations to the G20:

1. The G20 must mainstream efforts by its member countries to promote ecosystems supportive of social enterprises and re-direct resources for advancing the LiFE approach by creating incentive mechanisms (with respect to financial access and credit enhancement). These resources should instead be targeted towards systemic transformations, green innovation systems, health impact funds (HIFs) and ecological impact funds (EIF) as part of mainstreaming 'all of economy' approach.

2. The G20 nations must leverage existing international financial commitments for climate action and SDGs—such as the US$100-billion annual pledge for climate action—to enable sustainable lifestyle choices.

3. G20 members should look to encourage and create capacity to mainstream nature-based solutions and ecosystem-based approach as key tools for delivering sustainable development goals and climate ambitions.

4. The G20 should provide impetus and develop approaches to natural capital valuation (such as nature markets, and payment for ecosystem services) in an effort to address global environmental challenges, mobilise investments, create new opportunities and deliver sustainable livelihoods. There are increasing examples of such nature-related financial instruments, incentive schemes for the private sector, and public-private partnerships to fund conservation and restoration outcomes.

5. The G20 should reform the global financial architecture and institutional approaches based on accepted 'High-level Principles on Lifestyles for Sustainable Development', which would address financial flows for physical, social, digital and energy infrastructure from the perspective of sustainability, resilience, circularity, inclusivity, rural-urban balance, and trans-species balance.

6. The G20 can launch a Global Partnership for Sustainable Lifestyles (GPSL) to support actionable roadmaps for Nationally Determined Contributions (NDC) implementation (on technology deployment and capacity building). Apart from sharing good practices on sustainable consumption and production, this initiative can advocate frameworks and regulatory reforms for nurturing LiFE Economy and standards for sustainable lifestyles through the United Nations (UN) and associated agencies.

7. The G20 should set up a research coalition aimed at redefining the concepts of ethics, rights, duties and morality, by exploring both Eastern and Western perspectives, towards inter and intra-generational equity and trans-species balance supportive of a new development paradigm based on 'High Level Principles on Lifestyles for Sustainable Development.'

8. The G20 must support and mainstream new well-being measurement frameworks and incorporate ecological, biodiversity and multi-dimensional human development metrics. Efforts should be directed towards highlighting the inadequacies of national income-based growth measures and, therefore, the rationale for looking beyond Gross Domestic Product (GDP). Human and technical capacities of statistical institutions need to be enhanced to design and deliver on such new indicators.

9. The G20 should encourage comprehensive frameworks supporting systemic transformation approaches. These should promote, among others, business models and corporate practices for sustainability, social inclusion, care work, trusteeship, and good governance as part of efforts to green all aspects of the economy; to this end, encourage further research, collaboration, and policy advocacy for wider adoption.

10. The G20 should encourage lifestyle changes, balanced diets, increased physical activity, and guidance for better health, preventive healthcare recognising the benefits of traditional systems of medicine, and caring for physical and social environments. It should also aim to bridge the gender gap in relation, especially, to education and healthcare for better health of communities and the well-being of all species.

11. The G20 members should establish an ecosystem at global, national, and local levels to de-risk sustainable low-carbon infrastructure and promote, govern, and finance disaster-resilient infrastructure projects towards a LiFE economy based on Environmental, Social and Governance (ESG) norms, especially in small towns, peri-urban areas and protected nature reserves and animal habitats of the Global South.

12. The G20 should establish a project development facility to assist sub-national governments in promoting climate-adaptive infrastructure for small cities and towns, as well as small islands prone to impacts of climate change, with institutional strengthening, financing and climate adaptation at neighbourhood levels and in peri-urban areas by engaging communities, civil society, and other stakeholders.

13. The G20 should adopt fresh approaches and innovative forms of funding, including blended finance and co-financing for augmenting infrastructure and strengthening rural-urban balance while factoring in their respective positioning for productive employment and contributions towards the development of local economies.

14. The G20 must recapitalise MDBs to serve as catalysts to help scale up investments. Together, MDBs and G20 states/countries can facilitate and provide incentives and de-risking instruments that allow long-term private investors to support infrastructure projects, including those at sub-national levels.

15. The grouping should create a Global Infrastructure Observatory to actively monitor the progress of quality infrastructure investment and use such mechanisms to establish parameters for future prioritisation of investment support, rural-urban balance, preservation of environment and ecosystems, accountability, and transparency.

CLEAN ENERGY AND GREEN TRANSITIONS

Tackling climate change will necessitate a clean, sustainable, just and affordable energy transition that is not only ambitious but also equitable and inclusive. A globally just transition must be cognisant of the concerns of developing countries and be in line with their specific needs, national circumstances and structural vulnerabilities to maximise synergies between the objectives of the 2030 Agenda and the Paris Agreement and address spillovers in the transition process. International efforts must respect the right to development of all individuals and countries during the transition process while being in sync with, and complementary to, national development strategies. The energy transition should attempt to simultaneously ensure energy security, accessible and affordable energy, sustainable economic development, and environmental conservation and protection.

Transitions to low-carbon and climate-resilient pathways can entail short-term socio-economic costs, trade-offs, and risk premiums for developing economies, which can be difficult to bear and require active interventions to minimise their adverse impacts. The international enabling environment needs to be strengthened to support developing countries in order to overcome any short-term volatilities and ensure that countries' transition to a sustainable future are orderly and in-line with the 2030 Agenda.

The focus of a sustainable and globally just and inclusive transition must be on the transformation of the entire economy including energy, manufacturing, transport, agriculture, and forestry sectors. Climate-resilient development pathways must be developed such that they deliver on basic needs of all people while addressing climate and environmental challenges. It must result in net positive environmental, social and economic outcomes and ensure environmental justice for the workers and communities dependent on fossil fuel and fossil-fuel-dependent industries.

For achieving a clean energy transition and accelerating finance for green development, T20 India outlines the following recommendations to the G20:

1. G20 members must reaffirm their commitment to achieve the Paris Agreement targets and work together to establish decarbonisation pathways that reflect the principle of 'common but differentiated responsibilities' and considerations of different national circumstances.

2. G20 countries must work towards encouraging existing and newer formats of cooperation to further GHG emissions reduction efforts. The Energy Transition Working Group and the Trade and Investment Working Group must work together to encourage countries to practice non-discriminatory trade policies.

3. G20 Energy Ministers should encourage and support the development of roadmaps for eliminating untargeted fossil fuel subsidies.

4. The G20 must promote resilient and sustainable clean energy supply chains. The G20 must build on existing efforts such as the G20 Resource Efficiency Dialogue to highlight the need for a circular economy that focuses on recycling critical minerals and e-waste. Existing platforms should be utilised to encourage and enable cooperative actions by governments and the private sector such as enhanced peer learning, technology awareness, and improved financial access to boost global efforts for resource efficiency and to ensure a circular economy.

5. To strengthen the soundness and resilience of global critical mineral supply, the G20 should support the creation of an International Minerals Agency or an International Agreement to coordinate and share data on economic geology and mineral demands and promote transparency in the assessment of the impacts and benefits of critical mineral use.

6. G20 should support capacity building efforts in developing countries to help them better manage their developmental and environmental agendas. The focus should be on helping developing countries maximise the benefits from the transition by accessing affordable financing, technology transfers, and tackling spillovers between their SDG and climate targets in a more coherent and integrated manner.

7. G20 countries should support green public procurement for public goods to strengthen market shifts as it sends strong signals about effective demand for green products and encourages manufacturers, financial institutions, and the market ecosystem to adopt practices directly favouring green products.

8. G20 should work towards moving beyond the technology transfer paradigm and collaborate to create models of technology codevelopment, wherein stakeholders across countries jointly develop and own technologies that can accelerate the energy transition.

9. The G20 should establish a Tech20 Engagement Group, comprising G20 country representatives, industry, and civil society, to facilitate technological cooperation, co-development and transfers, and Intellectual Property (IP) reforms between the G20 countries. The Tech20 Engagement Group could be a new entity, or a subset of the Research and Development 20 for Clean Energy (RD20) to avoid duplication.

10. G20 Energy Ministers should work towards ensuring the attainment of the 1.5°C goal by holistically addressing emissions of N_2O, which is both an ozone-depleting substance and a super potent greenhouse gas through advancing N_2O discussions under the Montreal Protocol, catalysing finance to strengthen nitrogen research and mitigation, and supporting national nitrogen action plans in G20 member countries.

11. G20 Energy Ministers should take decisive action to expedite the implementation of the Kigali Amendment to the Montreal Protocol among G20 member countries and strengthen G20 collaboration by developing and implementing ambitious, regionally harmonised energy efficiency standards for cooling equipment through the formulation of national cooling action plans.

12. The G20 should develop effective mechanisms to improve interaction within its working groups to integrate linkages between energy transition and SDGs. Cooperation within the Energy Transition Working Group, the Environment and Climate Sustainability Working Group, and the Development Working Group in the Sherpa Tracks need to be strengthened to identify solutions to address trade-offs and synergise interconnections between SDGs and climate action. In addition, there needs to be better communication between the Finance Track and the Sherpa Track to provide more holistic solutions to these dual challenges.

ACCELERATING FINANCE FOR GREEN DEVELOPMENT

1. The G20 should reiterate and further urge developed countries to fulfil their commitments to deliver on the goal of jointly mobilising US$ 100 billion per year by 2020 and up to 2025, and work towards achieving an ambitious New Collective Quantified Goal on Climate Finance.

2. The G20 FMCBGs must articulate a mission for development finance that is geared towards low-carbon, climate-resilient, and socially inclusive growth and development.

3. The G20 Sustainable Finance Working Group should prepare an annual Green Finance Report tracking clean energy investments and other finance for climate action.

4. The G20 should support the establishment of a Green Development and Investment Accelerator (GDIA) to streamline the flow of bankable clean energy projects by serving as a global institution to support de-risking initiatives and scale best practices globally. The primary purpose of this institution will be to convene trilateral processes among government, industry, and financiers to identify key capital flow challenges, engage stakeholders to develop solutions, and establish syndication mechanisms for deal flow at the end of the process.

5. The G20 FMCBGs should work with MDBs and DFIs to scale up innovative instruments for SDG financing such as SDG Bonds and tradable SDG credits. They must work towards increased financing for green development through such measures as committed capital increases in MDBs and national level DFIs. The recommendations from the G20 Independent Review of MDBs' Capital Adequacy Frameworks should be expeditiously implemented with strict timelines.

6. The G20 Sustainable Finance Working Group should work on creating a shared value (CSV) framework to involve the private sector in SDG financing.

7. The G20 should establish a matchmaking mechanism within the G20 Development Working Group to identify triangular cooperation opportunities among its members and their partner countries.

REASSESSING THE GLOBAL FINANCIAL ORDER

The current global financial order, built in the post-Second World War era, is no longer fit for the multipolar world of the 21st century. It is imperative that we reimagine a global financial order that can channel financial flows manifold higher at a lower cost and with greater predictability — especially to developing countries — to enable the large increase in investments needed to achieve sustainable, inclusive, and resilient growth. To make the current financial order fit-for-purpose, many estimates suggest that the financing requirements would exceed US$1 trillion annually. Reimagining the global financial order also includes addressing threats to financial stability so as to be able to reduce the risk of systemic crises.

This requires a quantum leap in financial flows; a significant reduction in the cost and variability of capital; and fundamental implementation steps including governance reforms. These outcomes can be achieved through official capital (including MDBs and debt frameworks), private sector capital, and financial innovations.

To create a credible new framework for change in the global financial order, T20 India recommends to the G20:

1. The G20 must boost funds for developing countries to materially increase the quantum of finance available for climate change and SDGs for middle and low-income countries and reduce its costs. Since private finance is many times larger and 'net zero' provides many opportunities for private capital, public capital must be leveraged to enhance entry of private capital and policy must remove obstacles to such entry. Innovative financing mechanisms can be built leveraging the International Monetary Fund's Special Drawing Rights (SDRs). There is potential to expand the use of SDRs in the future. The African Development Bank (AfDB) is exploring promising approaches, which should be supported and replicated in other geographies.

2. The G20 must make debt relief work for all. While the Debt Service Suspension Initiative (DSSI) and the Common Framework have emerged as crucial instruments for debt relief, there is a need to make them more adaptable to the evolving creditor base and the growing complexity of financial instruments. The frameworks also need to incentivise the participation of private creditors. Restructuring has to be deep enough to make the return of private creditors possible. Mandating private participation in credit databases can also help, and so could court-based injunctions to prevent asset seizures under restructuring, and provision of preferred creditor status to all MDBs.

3. The G20 International Financial Architecture (IFA) Working Group could explore innovative mechanisms for debt relief, such as debt swaps and debt-for-climate swaps, and automatic climate-linked clauses that can help countries address debt sustainability and environmental challenges simultaneously. Governments that benefit from debt relief should align their policies to the 2030 Sustainable Development Agenda and the Paris Agreement, and develop their own Green and Inclusive Recovery and Resilience Strategies. It is crucial for the G20 to augment financial support for debt relief programs like the Catastrophe Containment and Relief Trust (CCRT) of the International Monetary Fund, to assist low-income nations in managing the economic repercussions of the pandemic.

4. The G20 FMCBGs could emphasise the need to increase MDBs' capacity to attract private capital by systematically deploying risk-mitigation tools and providing credit information to the market. This could involve the development of innovative financial instruments, such as platform and portfolio approaches for MDBs to share risk with private investors, as well as opening access to the Global Emerging Markets Risk Database (GEMs). The Multilateral Investment Guarantee Agency (MIGA) of the World Bank group can be expanded to provide efficient portfolio insurance solutions to the MDB system with help from the IMF's vast information on exchange rate movements.

5. The G20 Finance Ministers should push for MDBs and IFIs to prioritise the mobilisation of greater private capital flows and de-risk investments in clean energy in the developing world. The MDBs and IFIs should support the climate transition through risk assessments, diagnostic tools, blended financing structures, and innovative approaches to debt-for-climate swaps in emerging and developing economies.

6. The G20 International Financial Architecture Working Group and Framework Working Group can support technical assistance and knowledge-sharing for regional financial institutions, as well as knowledge sharing, coordination, and two-way information flows between MDBs, regional and national development banks. This might include sharing best practices on areas such as risk management, project preparation and appraisal, and financial governance.

7. The G20 Infrastructure Working Group can enhance access to infrastructure and development finance by building capacity among emerging and developing economies. The Infrastructure Working Group could promote capacity building through initiatives such as training programmes, technical assistance, and knowledge sharing. Initiatives such as UNDP's to build a set of bankable projects could be scaled up.

8. The G20 should support access to better information, measurements, standardisation, and data availability in Emerging Markets and Developing Economies (EMDEs). Using new technologies would reduce lender uncertainty and, therefore, should be supported by the G20. It might also contribute to lowering volatility in EMDE asset prices, helping to reduce country risk premiums and borrowing costs, especially if combined with mechanisms that allow international pooling of risk. More inclusive governance would aid these goals. This should extend to Least Developed Countries (LDCs) and Small Island Developing States (SIDSs).

9. The G20 should facilitate collaboration and help economies develop financing frameworks. There is a need to develop a Development Financial Institution (DFI) under the G20. The objective of the DFI can be twofold: first, it can help bridge the SDG financing gap by mobilising funds from various sources through use of innovative instruments and ensure that funds are channelled to the Global South and the most vulnerable regions of the world; second, it will also help in refuelling the growth forces of the global economy whenever there is a crisis situation, as has been seen multiple times over the last 25 years since the Southeast Asian financial Crisis.

10. The G20 should promote fair taxes for all to reduce financial instability. The G20 can work on the areas of uniform tax/regulation on mobile factors of production, required to prevent arbitrage across countries and financial institutions, reduce spillovers, and increase financial stability. Furthermore, by preventing illicit financing, money laundering, and fugitive economic offences, the G20 Finance and Central Bank Deputies can help create a more transparent and stable financial system, which is essential for development finance.

11. The G20 should look into the impacts of Central Bank Digital Currency (CBDC) for facilitating cross-border trade as well as for financial inclusion.

12. The G20 can enable a substantial scale-up of private capital flows to the Global South as well as aid financial stability by unblocking financial system obstacles (such as absence of information and asset classes), using digital public infrastructure, building supportive regulatory frameworks for sustainable long-term financing, and creating innovative instruments and de-risking platforms. Governments and MDBs could work closely with sovereign wealth and pension funds and other stakeholders in emerging economies to identify priority sectors, develop customised financial products and blended investment programmes that are tailored to the needs of these sectors.

ACCELERATING SDGs: EXPLORING NEW PATHWAYS TO THE 2030 AGENDA

The G20 has actively supported the 2030 Agenda ever since its adoption. At the mid-point to the 2030 deadline, however, most developing countries are not on-track to achieve the SDGs, and in many cases, their progress on several indicators has in fact reversed. The UN estimates that the polycrisis comprising the COVID-19 pandemic, debt distress, and humanitarian and energy security challenges could push more than 175 million people back into extreme poverty.

The G20 countries have committed to the SDGs, and have occasionally infused resources and put in place policies to achieve them. Nevertheless, these efforts are inadequate considering the enormity of resource gaps and challenges. Coordinated and concerted action is required to meet multiple challenges ranging from food and water security, to promoting holistic health outcomes; developing gender-sensitive programmes through women-led development; and revitalising development cooperation. The recommendations in this section cover all the workstreams of the Task Force:including Food security, Climate Resilient Agriculture, Water Governance, Health, Biodiversity, Blue Economy, Gender aspects of SDGs, Investing in Children, and Partnerships for SDGs.

To achieve ambitious action and to deliver the Goals by 2030, T20 India recommends to the G20:

1. The G20 should acknowledge that only 12 percent of the SDGs are on-track while the rest remain unchanged or are below the 2015 baseline. This can be the starting point to committing to more ambitious and transformative actions based on international cooperation.

2. The G20 Development Working Group should work towards creating a framework to enhance coverage, adequacy and comprehensiveness of nutrition-sensitive and shock-responsive social protection systems, particularly to support the most vulnerable, marginalised, and at-risk populations. The G20 can use existing platforms, such as the online platform on social protection, to inform and develop the proposed framework.

3. The G20 countries should promote data-driven analyses at various stages of production across the agricultural value chain by leveraging tech-enablers to collect and provide data-based insights that can be used to improve agricultural production and food security.

4. G20 countries should work together to safeguard the resilience of food supply chains against the repercussions of worldwide pandemics and geopolitical crises through the adoption of a universal commitment to refrain from intentionally disrupting distribution networks.

5. The G20 Development Working Group, in collaboration with the Environment and Climate Sustainability Working Group and Agriculture Working Group, should create a framework for sharing indigenous and traditional practices by involving local communities in the policy processes to design sustainable water solutions. They must aim to build effective cooperation mechanisms to protect vulnerable water systems, mitigate the impacts of water-related hazards such as floods and droughts, and manage water resources in a sustainable and equitable manner through the promotion of Integrated Water Resources Management (IWRM) at various scales, including those of river basins.

6. G20 countries should prepare for future pandemics by committing resources to the pandemic fund and setting up a distributed network of pandemic supplies to be used in case of sudden shocks.

7. The G20 Health Working Group should consider setting up a Global Initiative on Digital Health to create a connected digital health ecosystem that converges global efforts in scaling up commitments and investments of relevant stakeholders and digital solutions as digital public goods (DPG) to aid Universal Health Coverage (UHC) and accelerate the process in achieving Health for All.

8. The G20 should consider the development of frameworks under the auspices of the G20 for promoting international collaboration in vaccines, therapeutics, and diagnostics (VTDs) among various stakeholders and work towards removing IP barriers in instances of global public health emergencies, thus enabling accelerated and equitable access to vaccines.

9. The G20 could form an international committee and encourage the creation of national groups for universal digital access to inclusive healthcare.

10. G20 countries should adopt a collaborative, multisectoral, and trans-disciplinary approach based on 'One Health' as an integrated, unifying approach to optimise the health of humans, animals, and ecosystems, recognising that these are closely linked and interdependent. It can also emphasise the urgency of the Antimicrobial Resistance (AMR) challenge by committing to update all national AMR action plans to align with WHO-GAP and commit resources for research on antibiotic substitutes and non-antibiotic growth promoters.

11. The G20 must accelerate investment in research around non-communicable diseases (NCDs) by promoting and enabling sustainable, diversified financing models through the G20 Joint Health & Finance Task Force (JHFTF) and the Sustainable Finance Working Group (SFWG).

12. G20 countries should ensure successful implementation of the Global Biodiversity Framework (GBF) by establishing a suitable institutional mechanism with ample funding, aiming to amplify biodiversity, strengthen ecosystem functions and services, and preserve ecological integrity and connectivity.

13. The G20 must formulate policies to increase female workforce participation by focusing on gender budgeting, developing capacities of women to be recruited by emerging and growing sectors, and promoting gender transformative employment policies to support economic participation of women, especially those in the informal economy. The grouping must develop a well thought out, well governed and inclusive care system, affordable to the poorest, supported by public private financing, which generates decent work opportunities. G20 countries could consider setting up an office of an 'Ambassador-at-Large for Gender-Responsive Budgeting' in their relevant ministries to respond to the proper utilisation of funds for gender mainstreaming in multilateral development cooperation.

14. The DWG and the DEWG should work together to eliminate the gender digital divide through targeted digital literacy schemes to directly provide digital assets to women to ensure they are able to leverage the benefits of the growing digital economy.

15. The G20 should work with MDBs, DFIs, and IFIs to promote a specialised fund to finance women-owned micro/small enterprises across all G20 countries, facilitated by regional and/or through triangular development cooperation.

16. The G20 should prioritise sustained and enhanced funding for maternal, newborn, child and adolescent health and well-being aimed at strengthening health systems, improving access to essential health services, and addressing social determinants of health, such as poverty and gender inequality. The G20 should prioritise investments in children by implementing comprehensive measures, such as providing cash transfers to families for educational purposes, establishing school feeding programmes, facilitating the creation of affordable public-private financed daycare centres, and ensuring easy access to menstrual hygiene products for young girls in schools.

17. G20 countries should establish principles and best practices for building and strengthening capacities of national statistical offices to collect and provide access to credible and timely data for SDG indicators for effective monitoring and policymaking.

18. G20 should work towards minimising trade-offs in pursuing the development agenda and addressing other interconnected challenges and look to promote greater synergies across different G20 workstreams and platforms related to different aspects of the SDGs.

REFORMED MULTILATERALISM: TRANSFORMING GLOBAL INSTITUTIONS AND FRAMEWORKS

Multilateralism continues to be of great importance in the global community's quest for stability, peace, and economic growth. However, today's multilateral frameworks need to be reformed to better reflect the contemporary world order, tackle emerging challenges and allow for better coordination among different global institutions, while emphasising gender equality as an abiding principle. The current international order is at an inflection point characterised by multiple challenges, which the UN-led multilateral framework has fallen short of in addressing. The G20 must engage with stakeholders to address the need for a reformed and effective multilateralism in a multipolar world.

To create a roadmap for 'Multilateralism 2.0', T20 India recommends:

1. The G20 should consider establishing an expert group with a mandate to devise concrete proposals for global governance reform, especially membership of the UN Security Council, the use of the veto power, and rules and status of non-permanent members.

2. The G20 must enhance the voices of and ensure adequate representation from developing countries, including LDCs and SIDS in global decision making; this is key to effective multilateralism. The G20 should permanently include regional associations from underrepresented regions as members. In particular, the African Union should be included, on a priority basis, as a member of the grouping.

3. On global digital governance, the G20 should aim to utilise and build upon the lessons from previous and ongoing experiences with global governance efforts to inform multilateral consensus-building amongst states regarding cyber norms. This includes platforms such as the UN's Open-Ended Working Group (OEWG) on ICT security and the Council of Europe's Ad Hoc Committee on Artificial Intelligence (CAHAI).

4. The G20 should recognise the challenges posed by different levels of digital development globally and utilise India's experience in this domain as a useful reference point for the benefit of marginalised sectors through Public-Private Partnerships.

5. The G20 Health Working Group should consider how the World Health Organization (WHO) can adapt itself to present-day challenges by looking at healthcare in a more holistic manner and providing more space for traditional medical systems—such as Ayurveda—alongside allopathic treatments. This can be useful during pandemics and related disruptions in medical supply chains. Certain items of traditional medicine could be identified and stocks developed by India for wider dissemination and consumption, especially in the Global South.

6. The UN should create an Intergovernmental Panel on Pandemic Risk and Preparedness similar to the Intergovernmental Panel on Climate Change (IPCC) to advance scientific knowledge and ensure these issues remain on the global agenda.

7. The G20 TIWG should consider how it can enhance the WTO coordination with other bodies like the International Monetary Fund, the International Labour Organization, UN Conference on Trade and Development, and the World Bank with a view to achieving greater coherence in global economic policy-making as stipulated in the Marrakesh Agreement of the WTO.

8. The G20 should task the WTO with coordinating an agreement on trade rules reform to a timetable set by the G20, with these meetings providing a suitable reporting point on progress.

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