



POLICY BRIEF
**THE SUSTAINABLE
DEVELOPMENT AGENDA:
LEVERAGING THE G20 TO
ENHANCE ACCOUNTABILITY
AND FINANCING**



Task Force 7
**G20 SUPPORT FOR SDGS AND DEVELOPMENT
COOPERATION**

Authors

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موجز السياسة جدول أعمال التنمية المستدامة: الاستفادة من مجموعة العشرين لتعزيز المساءلة والتمويل

فريق العمل السابع
دعم مجموعة العشرين لأهداف التنمية المستدامة
والتعاون الإنمائي



المؤلفون

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ABSTRACT

If more progress had been made on the SDGs, the world could better face the COVID-19 pandemic. While G20 countries will inevitably focus on the short-term response and recovery, they should also keep the SDGs as a “North Star” for the required transformation of the global economic system. Domestically, individual G20 countries must adopt collective management of the global commons and global public goods. Internationally, the G20 countries should provide financial and technical support to developing countries. Strong leadership from the G20 will be needed to keep the longer-term 2030 Agenda in focus when short-term expediency prevails. The proposal provides seven concrete steps.

لو تم تحقيق المزيد من أهداف التنمية المستدامة، لكان العالم قادرًا على مواجهة جائحة كوفيد-19 بشكل أفضل. ففي حين أن بلدان مجموعة العشرين ستركز بشكلٍ حتمي على الاستجابة والتعافي على المدى القصير، فينبغي لهم أيضًا أن يحافظوا على أهداف التنمية المستدامة بصفاتها "نجم الشمال" للتحول المطلوب للنظام الاقتصادي العالمي. فعلى المستوى المحلي، لا بد أن تتبنى بلدان مجموعة العشرين بشكلٍ فردي، إدارةً شاملة للجوانب المشتركة العالمية والمنافع العالمية العامة. وعلى المستوى الدولي، ينبغي لبلدان مجموعة العشرين أن تقدم دعمًا ماليًا وفنيًا للدول النامية. هناك حاجة إلى قيادة قوية من جانب مجموع العشرين من أجل إبقاء جدول أعمال ٢٠٣٠ طويل المدى في دائرة التركيز عندما تطفئ النفعية قصيرة المدى. ويقدم العرض سبع خطوات أساسية.



CHALLENGE

The 2030 Agenda for Sustainable Development is a major achievement in international cooperation. Signed by all UN member states, the Agenda defines 17 universal goals for all states, known as the Sustainable Development Goals (SDGs).

However, no G20 country appears to be on track to meet all SDGs. In fact, the available analyses of SDG progress show that all G20 members are behind in at least one or more SDGs. The Bertelsmann Stiftung and the Sustainable Development Solutions Network's annual SDG Index and Dashboards Report (Sachs et al. 2017) highlights the "distance to target" for G20 countries across a range of indicators. Assessments of individual countries show large gaps. Moreover, there is a risk that countries will adopt arbitrary SDG management measures focusing on targets that are either less critical or easier to achieve without direct coordination, financial support, and management practices. Countries lack information to evaluate the required priorities, trade-offs, and complementarities systematically.

G20 member countries' approaches to agenda setting, implementation, and monitoring have substantial shortcomings. The health pandemic and climate change now join issues of gender equity (OECD 2020), social justice, biodiversity, and ocean acidification as illustrations of the lack of resilience and sustainability in the current economic system. This applies to both domestic goals and to those related to collec-

CHALLENGE

tive action. The 2030 Agenda also includes goals for the management of the global commons, and the world is currently failing to make adequate progress toward them. Specifically:

- Reporting on SDGs is not systematic and accountability for SDG progress is weak.
- Developing countries lack SDG management information and financing, and development partner support is inconsistent and uncoordinated.
- Despite international agreements and commitments, the global commons are not adequately managed and protected.
- Countries do not allocate sufficient financial resources to achieve the SDGs.

These challenges were known when Agenda 2030 was adopted, but became even more daunting in the aftermath of the COVID-19 pandemic, which threatens to reverse years of progress in developing countries and divert attention from the long-term to the short-term.

The diagnosis calls for more deliberate national and collective action by G20 countries. Importantly, the G20 must articulate the principles and benefits of multilateral action as part of their contribution to SDG 17 through global partnerships. Now is the time to align the G20 with the 2030 Agenda, push implementation, and enhance the corresponding policy learning processes. The Saudi G20 presidency has numerous opportunities to build on past commitments and make progress during 2020. The proposal below offers seven concrete steps.



PROPOSAL

The 2030 Agenda for Sustainable Development represents a major effort and achievement in international cooperation to implement sustainable development. Signed by all United Nations member states in 2015, the 2030 Agenda declares 17 SDGs that define universal targets for all signatories to achieve, both domestically and through collective action internationally.

Progress on the SDGs will lead to significant improvements in living and economic conditions worldwide. G20 countries, with their collective 80+% of the world economy, should provide strong leadership in advancing the implementation of SDGs, both domestically and through action abroad.

The G20 can add substantive value in further promoting the UN 2030 Agenda. Currently, the G20 faces challenges as a group of states committed to cooperation for human prosperity and economic growth. Under such difficult circumstances, the 2030 Agenda includes a set of 17 positive goals that provide common ground across member states and facilitate cooperation. Although the notion of global goals originally emerged around ambitions to support the poorest nations, such goals now target all countries and offer a tool for all nations to do better on issues of common importance.

Moreover, the SDGs align very well with the overall target of the G20 to promote strong, sustainable, balanced, and inclusive growth (e.g., G20 Leaders' Declaration 2017; 2018; 2019). The catalogue of SDGs can thus be used as an overarching benchmark for the national and collective actions of the G20. Making progress against the 2030 Agenda by the G20 is key for its legitimization and acceptability as an international, but non-global, forum from the perspective of other states and the general public.

The G20 has historically always mentioned the SDGs in its leaders' communiques, and sustainable development is one of the topics with the most agreements adopted by the G20. The first steps toward enhanced accountability were taken with the Hangzhou G20 Action Plan on the 2030 Agenda (2016) and the subsequent Hamburg (2017), Buenos Aires (2018), and Osaka (2019) updates. The Development Working Group was thus tasked to coordinate the efforts of the various G20 work streams. This consensus provides a basis for pathways to implementation, monitoring, and accountability.

From the previous G20 commitments pertinent to the SDGs, it is clear that the G20 looks at SDGs through three lenses:

- The thematic/domestic action lens: The commitments address various individual sectors and themes, such as transitions to renewable energy systems, infrastructure, financial inclusion, early child development, gender equity and women's economic empowerment, the future of work, the digital economy, inclusive employment, or education.
- The global public finance lens: The G20 commitments and appendices include actions on climate finance, green and blue finance, digital and physical sustainable infrastructure finance, the operations of international financial institutions as a global system, and most recently, support for a debt service standstill.
- The collective action lens: This includes joint initiatives such as the Base Erosion and Profit Shifting initiative to strengthen the tax base, taxation of the digital economy, anti-corruption actions, anti-microbial resistance, or peer learning and review of G20 members' own policies and their spillovers. However, it also includes developing new norms and standards to address the financing of global public goods, most immediately in health, as the current crisis has made clear, but more broadly in other areas like biodiversity, oceans, and climate.

Each area presents opportunities for the Saudi G20 presidency to make progress in advancing the 2030 Agenda implementation. There are three priorities at this time.

First, almost all G20 countries are executing very large support packages for businesses to prevent costly and unwarranted bankruptcies. Recovery from the crisis offers an opportunity to significantly restructure toward more gender-sensitive, sustainable, and inclusive business practices. The SDGs provide such a "North Star" that could guide restructuring in all G20 countries to create a more sustainable world. Countries could accomplish this partly by deliberately aligning reporting on the 2030 Agenda with reporting within the G20. Rather than reporting separately on the 2030 Agenda, the G20 should adopt a common template for reporting on the SDGs that aligns the G20 annual reporting (G20 Mutual Assessment Process) and its comprehensive accountability report with the 2030 Agenda. This common reporting should help countries produce a strategic document that provides information that allows actors to assess progress on the SDGs nationally and globally.

Second, the G20 must address the very large financing gap facing developing countries in the wake of pressures to bolster public health amidst falling commodity prices, declining tourism and remittance revenues, trade reductions, rising risk premia, and unprecedented capital flight. The International Monetary Fund estimated an incremental \$2.5 trillion gap above the already large financing gap to allow developing countries to build a better SDG economy. However, international financial institutions have limited ability to respond to the 2030 Agenda (see G20 EPG 2018). The IMF estimates that low-income countries will be able to raise their fiscal deficits by only an average of two percentage points of Gross Domestic Product in 2020, compared to 13 percentage points in advanced economies (Gaspar and Gopinath 2020). The current debt overhang undercuts effective international allocation of financial resources to achieve the SDGs. It is important to align the governing mandates (or the norms of their interpretation) of financial policymakers, regulators, standard setters, and market-based rule setters with the 2030 Agenda. This would connect regulatory and policy matters while maintaining the fundamental tenet of regulatory independence from short-term policy pressures. The Network of Central Banks for Greening the Financial System exemplifies progress in this sphere, and should be encouraged and supported by the G20. Central banks should be required to report on the potential and actual impact of proposed measures on the 2030 Agenda outcomes. The G20 should also acknowledge the need to advance a systemic approach to align the mandates of institutions governing the financial system with the 2030 Agenda, such as by outlining a commonly agreed set of principles.

Third, the G20 must address the movement away from multilateralism and encourage greater investment in global public goods, including, most obviously, pandemic preparedness. The 2030 Agenda includes goals for the management of the global commons. In addition to tackling domestic SDG implementation gaps, G20 countries need to do their part to solve collective action problems. However, in light of the constraints on public resources and public attention, member countries must be selective in their provision of global public goods. At a time of heightened geopolitical tensions, the G20 should make efforts to develop principles for truly multilateral action that can complement plurilateral and bilateral agreements. As part of this effort, the G20 should first identify the areas with the greatest needs and how to prioritize and deploy their resources and comparative advantages to have the best effect. This includes, primarily, closing outstanding domestic social cohesion gaps to prevent a further backlash to multilateralism by elected leaders with nationalist or isolationist approaches. The fallout of the COVID-19 pandemic might aggravate social, economic, racial, and gender inequalities and further erode support for multilateralism.

Strong domestic and collective action by the G20 would underline that the 2030 Agenda is not an agenda for developing countries only, but for all signatory countries. As a group of countries committed to promoting strong, sustainable, balanced, and inclusive growth, the G20 should use their agenda-setting power and assess their actions against the SDGs. This involves strengthening G20 countries' strategies for the domestic implementation of the SDGs, action on global public goods, and collective action, in order to improve accountability, financing, and cooperation. Specifically, we propose that the G20:

- Assess how to implement agreements reached during the 2019 SDG Summit in September 2019 and discuss objectives for the 2020 summit on biodiversity and the COP26 on climate change.
- Incorporate progress toward environmental, social, and governance goals into the G20 Mutual Assessment Process, using mutually agreed country goals such as the SDGs where appropriate.
- Assess pilots of “country platforms” implemented in response to the G20 Finance Ministers Eminent Persons Group, with an eye to scaling up uptake of those recommendations.
- Create an institutional framework to deliver on sustainable infrastructure for the SDGs, building on G20 actions on infrastructure in Japan, Argentina, Australia, Europe, and so on (Bhattacharya et al. 2016, 2019).
- Acknowledge the need to advance a systemic approach to aligning the mandates of international institutions to the 2030 Agenda, such as by outlining a commonly agreed upon set of principles and benefits of multilateralism that can strengthen SDG 17 in global partnerships.
- Encourage those G20 members not yet part of the Network of Central Banks for Greening the Financial System or the Coalition of Finance Ministers for Climate Action to join (and bring this agenda into the G20 SDG discussions).
- Initiate a discussion about suitable pathways toward SDG achievement and prioritization so G20 governments remain in a position to implement collective action multilaterally, including in the area of debt relief.

The proposed outcomes rely on the G20's unique power and role in global governance processes and should add impetus to the SDG process. As the recommendations build on past G20 commitments, we expect clear pathways for implementation.

Disclaimer

This policy brief was developed and written by the authors and has undergone a peer review process. The views and opinions expressed in this policy brief are those of the authors and do not necessarily reflect the official policy or position of the authors' organizations or the T20 Secretariat.



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