

POLICY AREA:  
**2030 Agenda for Sustainable Development**

## Reforming international cooperation towards transformative change

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### Abstract

G20 countries should commit to proposing tangible policy steps in all cooperation forums and platforms they are part of (e.g. EU, ASEAN and African Union, NAFTA, APEC, BRICS and G7, UN and IFIs) in order to promote the implementation of the 2030 Agenda, specifically with regards to both the provision of global public goods, and to the adoption of integrated solutions to eradicate poverty, combat inequality within and among countries, preserve the planet and foster social inclusion and prosperity. (1) (2)

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### Challenge

The 2030 Agenda constitutes a new basis for international cooperation between all countries. The Agenda has the potential to fundamentally transform how countries cooperate with each other, for three reasons:

- First, the Agenda has not been designed to fit into an already existing cooperation format such as development cooperation as we have known it since decades. On the contrary, its ambition is to offer substantial guidance for the goals and implementation strategies of all policy fields that are relevant for sustainable development worldwide. (3)
- Second, the principles of the Agenda (universality, indivisibility, leave no one behind, participation, accountability) and the Sustainable Development Goals (SDGs) need to be recognized as guiding all policy fields, for both domestic and internationally-oriented policies, taking into account different national capacities, policies and priorities.
- Third, all forms and forums of international cooperation must contribute to implement the 2030 Agenda, not just North-South cooperation, but also North-North, South-South and triangular cooperation in all relevant policy fields. International finance and development institutions (bi-lateral and multilateral) must play an enabling role for the implementation of the 2030 Agenda. SDGs 10 and 17 specify targets to be reached in order to make global economic governance and international cooperation fit for the 2030 Agenda.

The G20 spans across North and South and represents sizable shares of global population and world economic activity, as well as of the global ecological footprint. As a forum that concentrates on reforming global economic governance and coordination, it has a specific responsibility as well as opportunities and levers to promote the implementation of the Agenda in an integrated and balanced manner.

The functions ascribed by G20 Leaders to the Development Working Group (DWG) in Annex A of the G20 Action Plan adopted in Hangzhou in 2016 provide a good framework for G20 engagement in reforming and enhancing international cooperation. They highlight that the DWG will continue to report directly to, and be strategically guided by, G20 Sherpas to undertake the following functions:

1. Strengthening the role of the G20 in advancing global sustainable development over the long-run, (...)
2. Supporting development cooperation, policy and financing actions including the Means of Implementation (...) through discussion with the relevant work streams;
3. Supporting Sherpas to enhance policy coordination and coherence for sustainable development across relevant G20 tracks and work streams (...) and reporting on regular basis to G20 Sherpas;
4. Acting (...) as a forum for sustainable development dialogue between G20 members, low income and developing countries, development stakeholders, and the G20 engagement groups, (...)
5. Facilitating mutual learning and exchange of experiences and good practices among G20 members on their respective national actions for sustainable development,
6. Assisting in the delivery of 2030 Agenda related activities, working closely with other G20 work streams in the Sherpa and Finance tracks, (...).

This mandate clearly shows that in Hangzhou Leaders ascribed to the DWG a new elevated and overarching function that is underpinned by both a strategic commitment and leadership of Sherpas. The DWG should work hard to live up to the new task and review its composition and working methods e.g. with regard to other workstreams accordingly. It is of crucial importance that G20 delegations to the DWG include also representatives from those government departments that are responsible for the overall implementation of the 2030 Agenda in the G20 countries. Consideration should be given to highlight the new role of the group by giving it a new name like Sustainable Development Working Group (SDWG).

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## Proposals

### **Proposal 1: Renew the G20 commitment to implementation of the 2030 Agenda**

In 2017 the G20 needs to show a strong renewal of its commitment to the implementation of the 2030 Agenda, as done in Hangzhou 2016 with the Action Plan. The Sherpas, the DWG and other work streams have a specific responsibility in this respect, as identified in the 15 Sustainable Development Sectors of the Action Plan.

Reference to the 2030 Agenda should appear in the G20 communiqué in order to emphasize its relevance for job creation and income generation, reduction of poverty and inequality, enhancing global trade and economic cooperation, and protecting the Earth's climate and its ecosystems, globally and in each G20 country. The Sherpas and DWG should elaborate and adopt an update of the G20 Action Plan of 2016 with specific collective actions. In Annex B of the Action Plan all G20 members have presented first outlines on national actions. They should commit to update these outlines by the 2018 G20 Summit. The DWG should prepare a template for this.

There should be a specific commitment that all G20 members present voluntary national reports at the High-Level Political Forum (HLPF) of the United Nations by 2018. In 2016, six out of 19 G20 countries presented such reports, for 2017 further six countries already registered their wish to do so. (4)

G20 countries should remain engaged in the reporting process in order to manifest leadership by example and maintain the momentum of reporting and learning. The G20 should commit to deliver – as a group – a voluntary report on the G20 contribution to the implementation of the Agenda in due course in the run-up to the 2019 HLPF at Leaders’ level.

## **Proposal 2: Adopt tangible steps to reform global economic governance and cooperation**

The G20 should elaborate tangible steps to reform international cooperation – with a specific focus on global economic governance and coordination – for the effective delivery of the 2030 Agenda while taking into consideration existing commitments and differences in resources and capabilities between countries. Due to the universality and indivisibility of the Agenda, these principles apply to all relevant policy fields across the three dimensions of sustainable development – economic, social and environmental –, an argument that reinforces the link between domestic implementation and reforms of international cooperation.

G20 countries should agree on collective and individual action that help with the implementation of SDG 17 and SDG 10 where they refer to global economic governance and coordination, specifically with regards to both the provision of global public goods, and the adoption of integrated solutions to eradicate poverty, combat inequality within and among countries, preserving the planet and foster social inclusion.

Under SDGs 10 and 17, we propose that the DWG adopts a work programme for the next five years in order to engage in own work and in discussion with other work streams with a view to fill the following gaps left by existing G20 frameworks and initiatives:

- inequality within countries: ensure that fiscal, wage and social policies as well as tax policies progressively achieve greater equality and enable that the income of the bottom 40% of the population grows at a rate higher than the national average (5); the joint statement of the chairs of all G20 engagement groups highlights the importance of strengthening the social dimension of globalisation (SDG 10.1, 10.4) (6);
- inequalities among countries: carry on with the refinement and implementation of the G20/OECD BEPS package and the G20 anti-corruption work in order to combat illicit financial flows; engage in efforts to strengthen tax cooperation work in the UN including the upgrading of the committee of experts to an intergovernmental level and expanding the international recognition of standards on tax administration and exchange of information emanating from developing country officials and from the BRICS tax administrators network; achieve concrete and rapid progress in reforming vote shares in international financial institutions and MDBs in order to give developing countries and low income countries more voice and decisions of these institutions more legitimacy (SDG 17.1, 10.6);
- conceptual issues: mainstreaming the SDGs and implementing them in an integrated and balanced manner require a change in the concepts of economic performance; therefore the DWG should engage with the trade and investment working group and other relevant work streams in order to promote the use of measurements of economic progress beyond GDP (SDG 17.19) (7);
- policy coherence for sustainable development (PCSD): the DWG could play an important role in advancing a shared definition of PCSD across G20 members, guests and work streams, based on the operationalisation of the 2030 Agenda at national levels;
- finance: the DWG should engage in a process to clarify the role of ODA and the role of other public financial flows in funding investment and activities towards sustainable development (17.2, 17.14) (8);

- support to least developed countries should have a specific focus on promoting investment (SDG 17.5, 10.1), and increasing their shares in global exports (17.11); this would require the G20 to specify how to align existing international trade and investment agreements and formulate new agreements in order to facilitate the integration of LDCs into global value chains and avoid that rules and behind-the-border measures hinder this integration (9);
- attain long-term debt sustainability: establish a comprehensive global debt governance framework including instruments to prevent and resolve debt crisis such as principles for responsible lending and borrowing or an insolvency procedure for sovereign states (17.4) (10).

### **Proposal 3: Renewed commitment to the United Nations and G20's endeavor to strengthen and reform the United Nations Development System**

While recognizing the universality and indivisibility of the 2030 Agenda, the G20 should renew its commitment to the United Nations reasserting its key role for the implementation of the SDGs. The principles of universality and indivisibility and the imperative of integration enacted by the 2030 Agenda require a profound transformation of the United Nations Development System (UNDS). (10) A strengthened UNDS should enable the integration between the economic, social and environmental dimensions of sustainable development, addressing systemic interlinkages, reducing fragmentation and fostering developmental partnerships. Such reform requires a collective effort both to adjust UNDS governance procedures, aligning the intergovernmental and executive lines of authority, as well as to overcome systemic fragmentation and overlaps. Furthermore, the UNDS needs to secure a significant amount of core funding in order to support a universal agenda. Consideration should be given to change its name into UNSSD (United Nations System for Sustainable Development).

### **Proposal 4: Individual and collective actions for pioneering progress in technology transfer, and capacity development (monitoring & review)**

G20 members are fundamental for advancing innovation, technology transfer and capacity development towards 2030 Agenda implementation.

The DWG should describe possible activities of the DWG with a view to its function as a dialogue platform within and beyond the G20 for sustainable development. DWG could commit to establish regular dialogue events with the engagement groups. It could articulate the transnational business case for SDG implementation together with B20, C20 and T20 by drawing on successful examples from public health, education, environment and other fields, with a particular focus on overcoming the perceived first mover advantage. It could engage with universities, research institutes, business and civil society organizations through an open process to accelerate the monitoring, reporting and verification of the progress and practical problem-solving to achieve SGD targets; in particular, the DWG could engage with the T20 network to identify and promote those initiatives that can have transformational impacts. These dialogue activities could be aligned with the topics foreseen at the annual HLPF meetings (SDG 17.16, 17.17).

With regard to SDGs 10 and 17 we propose that the DWG adopts a work programme for the next five years in order to engage in own work and in discussion with other work streams in order to fill the following gaps left by existing G20 frameworks and initiatives:

- the Blueprint on Innovative Growth adopted by the G20 in 2016 offers good opportunities for enhancing cooperation on STI and knowledge sharing (SDG 17.6); from the perspective of sustainable development, it is paramount to ensure that this initiative as well as trade and investment principles and policies of the G20 are compatible with and promote the development, transfer, dissemination and diffusion of environmentally sound technologies (17.7) (11)
- the G20 should specify how it intends to support the UN Technology Facilitation Mechanisms (17.8)

- the DWG should specify how its members could support statistical capacity building in low income and developing countries relevant for designing national plans to implement the SDGs and effective and targeted policies as well as for reporting on progress (17.9, 17.18 and 17.19) (12); further the DWG should engage in the promotion of appropriate regulatory strengthening and skill development for SDG implementation as an important complement to international funding.

### **Proposal 5: Promotion of an SDG-related agenda among Multilateral Development Banks and other Development Finance Institutions**

Considering the growing relevance of Multilateral Development Banks (MDBs, incl. those set up only recently) in the field of financing sustainable development, the G20 should start a dialogue on the potential adoption of SDG-related standards and policies by these financial institutions and the IMF. International and national finance institutions should also develop strategies to harness the potential of the financial markets in financing sustainable development. Furthermore, as MDBs are emphasizing the need of strengthening national systems to cope with socio-environmental standards, the G20 should set up an agenda for the adaptation of national systems as SDGs enablers.

### **Proposal 6: Diffusion of innovative approaches of G20 members in other global and regional cooperation forums**

While recognizing the United Nations unique significance for the implementation of the 2030 Agenda, G20 members should adopt these reform steps for their own cooperation policies by 2018. The G20 countries should take initiatives for integrating and mainstreaming the 2030 Agenda in all national and international forums where they are active to amplify the multiplier effect (i.e. EU, ASEAN and African Union, NAFTA and APEC, UN and IFIs, BRICS and G7 Summits). The G20 countries should also facilitate the engagement of emerging economies and other developing nations in traditional forums of international cooperation. Furthermore, they should develop interconnected mechanisms across these respective forums of international cooperation so that their synergies could be utilized to fill-in financing, technical capabilities and capacity building deficits as far as the 2030 Agenda is concerned.

The G20 should clearly convey a sense of urgency and an understanding of the need for expediency in order to achieve the goals by 2030.

Implementation of the specific proposals in this policy brief would facilitate progress in implementation and be an important contribution of the G20 and beyond to maintain the space for international cooperative action for the benefit of human prosperity while safeguarding the earth's ecosystems.

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## **References**

1. The content of this policy brief is the responsibility of the authors. We thank for helpful discussions with the members of the task force and specifically for comments by: Ram Upendra Das (Research and Information System for Developing Countries (RIS), India), Rainer Thiele (Institute of the World Economy (IfW, Germany), Manuel Montes (South Centre), Ali Mehdi (ICRIER, India), Yang Quingqing (Renmin University of China, China), Mehmet Arda (EDAM, Turkey), Gala Diaz Langou (CIPPEC, Argentina), André Coelho (FGV, Brazil), Kathrin Berensmann (DIE, Germany).
2. The T20 Task Force on 2030 Agenda for Sustainable Development is co-chaired by Imme Scholz (DIE, Bonn, Germany), Chen Dongxiao (SIIS, Shanghai, China) and Jann Lay (GIGA, Hamburg, Germany).

The T20 Task Force on the 2030 Agenda drafted policy briefs on three systemic questions related to the implementation of the 2030 Agenda that underline its innovative features, and that are also in the focus of the G20 when driving forward implementation and specification of the Action Plan: The implementation of the 2030 Agenda in G20 countries, policy coherence and the role of international cooperation.

Members of the task force beyond those mentioned above are: Suguru Miyazaki (Kyoto University, Japan), ... (to be completed, >60 members in ca. 20 countries).

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4. In 2016, China, France, Germany, Korea, Mexico and Turkey (plus Estonia and Finland from the EU) reported at the HLPF; in 2017, Argentina, Brazil, India, Indonesia, Italy, and Japan are on the HLPF list (plus Belgium, Denmark, Luxemburg, The Netherlands, Portugal and Sweden from the EU). G20 countries that have not yet indicated interest in reporting at the HLPF are Australia, Canada, Russia, Saudi Arabia, South Africa, the UK and the US.

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13. Cf. the Partnership for Review of the BMZ.

## Existing Agreements

G20 Action Plan on 2030 Agenda for Sustainable development

G20 / OECD BEPS Project

G20 Anti-Corruption Action Plan

G20 Strategy for Global Trade Growth

G20 Guiding Principles for Global Investment Policymaking

G20 Blueprint on Innovative Growth 2016

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