If more progress had been made on the SDGs, the world could better face the COVID-19 pandemic. G20 countries will inevitably focus on short-term response and recovery but should also keep the SDGs as a “North Star” in embarking on the transformation of global economic systems that is now required—both domestically and through action abroad. This policy brief discusses challenges and opportunities for the G20 in advancing the 2030 Agenda. Strong leadership will be needed to keep the longer-term agenda in focus at a time when short-term expediency prevails.

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 to be achieved by all states: the Sustainable Development Goals (SDGs).

However, no G20 country appears to be on track to meet all of SDGs. In fact, available analyses of SDG progress show that all G20 members are behind in achieving at least one or more SDGs. The Bertelsmann Stiftung and the Sustainable Development Solutions Network’s annual SDG Index and Dashboards Report highlights the “distance to target” for G20 countries across a range of indicators. Assessments of individual countries showcase large gaps. Moreover, there is a risk of an arbitrary application of SDG management measures focusing on targets that are either less critical or easier to achieve if coordination, financial support and management practices are not directed. Countries lack information for systematic evaluation of required priorities, trade-offs and complementarities.

There are substantial shortcomings in G20 member countries’ approaches to agenda setting, implementation, and monitoring. This applies both to domestic goals as well as to those that relate to collective action. The 2030 Agenda also includes goals concerning the management of the global commons, and the world is currently failing to make adequate progress towards 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.
- Financial resources are not adequately directed to achieve the SDGs.
Financial resources are not adequately directed to achieve the SDGs. These challenges have become even more daunting in the aftermath of the COVID-19 pandemic, which threatens to reverse years of progress in developing countries. Developing countries will have to divert resources to their public health systems while simultaneously managing trade shocks and large private capital outflows.

The diagnosis calls for more deliberate national and collective action by G20 countries. Importantly, the G20 must articulate principles and benefits from multilateral action as part of their contribution to SDG 17 on global partnerships. This is the time to align the G20 with the 2030 Agenda, push implementation and enhance corresponding policy learning processes.

There are a number of opportunities for the Saudi G20 presidency to build on past commitments and make progress during 2020.

Proposal

The 2030 Agenda for Sustainable Development represents a major effort and achievement in international cooperation to achieve sustainable development. Signed by all United Nations member states in 2015, the 2030 Agenda declares 17 Sustainable Development Goals (SDGs), which define universal targets to be achieved by all signatories. These globally agreed SDGs have to be achieved both domestically and through collective action internationally.

Progress on the SDGs will lead to significant improvements in living and economic conditions globally. 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 strong headwinds as a group of states committed to cooperation towards human prosperity and economic growth. Under such difficult circumstances, the 2030 Agenda offers a set of 17 positive goals that may help to find common ground across member states and facilitate cooperation. Although the notion of global goals originally took hold around ambitions to support the poorest nations, today such goals 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 Osaka Communiqué; G20 Buenos Aires Communiqué; G20 Hamburg Communiqué). The catalogue of SDGs can thus be used as an overarching framework against which national and collective actions of the G20 can be benchmarked. Aiming and pushing for progress against the 2030 Agenda by the G20 is key for its legitimization and acceptability as international but non-global forum from the viewpoint of other states and the general public.

The G20 has historically always mentioned the SDGs in its leaders’ communiques and sustainable development has featured as one of the topics with the most agreements adopted by the G20. The first steps in the direction of enhanced accountability were taken with the Hangzhou G20 Action Plan on the 2030 Agenda and the subsequent Hamburg, Buenos Aires, and Osaka Updates. The Development Working Group (DWG) has, therein, been tasked to coordinate the efforts of the various G20 work streams. This consensus provides a basis for pathways to implementation, monitoring, and accountability.

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

1. **The thematic/domestic action lens**: The commitments address various individual sectors and themes, e.g. energy transitions, infrastructure, financial inclusion, early child development, the future of work, the digital economy, inclusive employment, or education.

2. **The global public finance lens**: The G20 commitments and appendices include actions on climate, green and blue finance, digital and physical sustainable infrastructure finance, and the operations of international financial institutions as a global system.

3. **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. But it also includes developing new norms and standards for addressing 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
goods, most immediately in health as the current crisis has made clear, but more broadly in other areas like biodiversity, oceans and climate.

In each area, there are opportunities for the Saudi G20 presidency to make progress with advancing the 2030 Agenda implementation. There are three priorities at this time.

First, almost all G20 countries are initiating very large support packages for businesses to prevent costly and unwarranted bankruptcies. Recovery from the crisis will offer an opportunity for significant restructuring towards more sustainable and inclusive business practices. The SDGs provide such a “North Star” that could guide all G20 restructurings to result in a more sustainable world. This could partly be accomplished 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 guide countries to produce a strategic document providing 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 an unprecedented capital flight. The IMF has estimated an incremental $2.5 trillion gap, above the large financing gap already identified to allow developing countries to build a better SDG economy. However, international financial institutions do not systematically align with the 2030 Agenda in their mandates (see G20 EPG, 2018). This undercuts effective allocation of financial resources to achieve the SDGs. Aligning the governing mandates (or the norms of their interpretation) of financial policymakers, regulators, standard setters and market-based rule setters with the 2030 Agenda would bridge regulatory and policy matters whilst 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 aligning the mandates of institutions governing the financial system to the 2030 Agenda, e.g. through the elaboration of a commonly agreed set of principles.

Third, the G20 must address the slide away from multilateralism that has led to serious underinvestment in global public goods, including, most obviously, pandemic preparedness. The 2030 Agenda includes goals concerning 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 constraints in 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 where needs are greatest and how their resources and comparative advantages can be prioritized to best effect. This includes, first and foremost, closing outstanding domestic social cohesion gaps in order to prevent a further backlash to multilateralism by elected leaders with nationalist or isolationist approaches. The fallout of the COVID-19 pandemic might aggravate the problem of social inequality and further erode support for multilateralism.

Strong domestic and collective action by the G20 would underline that the 2030 Agenda is a not an agenda for developing countries only, but for all signatory countries. As a group of countries committed to promote strong, sustainable, balanced and inclusive growth, the G20 should make use of their agenda-setting power and assess their actions against the SDGs. This involves strengthening G20 country strategies for domestic implementation of 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 towards environmental, social and governance goals into the G20 Mutual Assessment Process, using, where appropriate, mutually agreed country goals such as the Sustainable Development goals.
- Assess pilots of “country platforms” implemented as a response to the G20 Finance Ministers Eminent Persons Group, with an eye to scaling up uptake of those recommendations.
- Build an institutional framework to deliver on sustainable infrastructure for the SDGs, building on G20 actions on infrastructure in Japan, Argentina, Australia, etc.
- Acknowledge the need to advance a systemic approach to aligning the mandates of international institutions to the 2030 Agenda.
Acknowledge the need to advance a systemic approach for aligning the mandates of international institutions to the 2030 Agenda, e.g., through the elaboration of a commonly agreed upon set of principles and benefits of multilateralism that can strengthen SDG 17 on 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 that G20 governments remain in a position to implement collective action multilaterally.

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

References

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Existing Initiatives & Analysis