POLICY BRIEF
TRANSVERSAL G20 RESPONSE TO COVID-19: GLOBAL GOVERNANCE FOR ECONOMIC, SOCIAL, HEALTH, AND ENVIRONMENTAL RESILIENCE

Task Force 11
COVID - 19: MULTIDISCIPLINARY APPROACHES TO COMPLEX PROBLEMS

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المؤلفون
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This policy brief advocates for a coordinated Group of Twenty (G20) global governance response to COVID-19 and future pandemics. The authors identify a crucial governance gap, requiring enhanced multilevel coordination to improve states’ institutional resilience and policy preparedness for managing pandemics and shock-induced challenges. G20 cooperation, including a new Pandemic Working Group and joint ministerial meetings, would tackle pandemic threats—broadly-defined manifold vulnerabilities and disruptions. The International Monetary Fund’s Article IV consultations and G20 working group peer-review mechanisms provide examples for the G20’s strategic coordination and assessment of states’ resilience, by involving international organizations and key stakeholders.
In light of the social and economic impacts of the COVID-19 pandemic, there is a pressing need for global leadership and strategic decision-making on how to address this and future shocks. It is essential to meet the complex challenges of pandemic preparedness and institutional resilience-building; this proposal aims to achieve this objective by strengthening economic, social, health, and environmental resilience through a coordinated, joined-up policy response.

The Group of Twenty (G20) was an effective crisis committee for tackling the 2008–09 global financial crisis (Cooper and Thakur 2013; Kirton 2013; Luckhurst 2016). It coordinated the measures of international organizations, especially the International Monetary Fund (IMF) and multilateral development banks. Therefore, in principle, the G20 is well-suited to managing multifaceted challenges such as COVID-19. This is evident from the G20 Action Plan (G20 2020), which prioritizes cooperation based on the interlinked health, economic, and financial consequences of the pandemic.

The broader global pandemic response initially highlighted significant policymaking challenges, including gaps in crafting coherent, rapid, and effective measures for multilevel governance of COVID-19’s effects across global, regional, and national contexts. The pandemic has led to currency and financial market volatility, declining trade, logistical problems in relation to medical and food supplies and their distribution, global recessionary pressures, and massive job losses. It has exposed vulnerable demographic groups, including the elderly, the poor, particular ethnicities, and displaced persons, to greater risks. There are also important gender-based aspects to the crisis given the more detrimental social and economic effects on women and girls in many societies (WHO 2020).

This complexity underscores the need for effective transversal policy strategies and coordinated international responses, and hence, for a complex strategic approach to interlinked policy areas. Substantial research indicates the benefits of “transversal” or “joined-up” policymaking, including synergies from coordinated multisectoral strategies that reduce policymaking silos (see Leal Filho et al. 2018; Bastos Lima et al. 2017; Pollitt 2003; Rao et al. 2015; Russel and Jordan 2009). The United Nations (UN) 2030 Sustainable Development Goals (SDGs) constitute an important example of this type of strategy.
The transversal, multilateral pandemic cooperation advocated here is based on the G20 Action Plan and prioritizes beneficial spillover effects and reciprocal engagement between the Global North and Global South, including positive feedback loops. The G20’s strategic pandemic role could be reinforced through transversal cooperation across its extensive policy agenda on often-interlinked issues, many of which are covered within the mandate of existing international institutions. The G20 should coordinate the efforts of international and regional organizations and relevant stakeholders in supporting governments to meet the complex challenges of pandemic preparedness and institutional resilience-building. The diverse policy challenges are indicated by the institutions tasked with responsibilities for global governance in related spheres, including the Financial Stability Board (FSB), the IMF, the UN, the World Bank, regional development banks, the World Trade Organization (WTO), and the World Health Organization (WHO). Some organizations have already initiated actions to respond to the pandemic and develop recovery pathways.

This strategy would be augmented by multistakeholder contributions from experts, governments, and international officials, with the G20 catalyzing contributions from diverse global governance networks (Luckhurst 2019). This, in turn, would be reinforced by a new G20 Working Group on Pandemic Institutional Resilience and Policy Preparedness.
The key points we propose are as follows:

1. A new G20 Working Group on Pandemic Institutional Resilience and Policy Preparedness (abbreviated as PWG or “Pandemic Working Group”);
2. A G20 peer-review of national pandemic policy preparedness and institutional resilience, assessed by the new PWG and joint ministerial meetings on COVID-19, and conducted by multilateral institutions with contributions from relevant stakeholders;
3. A transversal global governance approach, recognizing interconnectivities, spillovers, and diverse policy challenges from COVID-19 and potential future pandemics; and
4. A focus on the needs of the Global North and Global South, especially the challenges confronting the latter, while maintaining the core insight from the SDGs that policy recommendations should be tailored to local conditions.

The G20’s Extraordinary Virtual Leaders’ Summit on COVID-19 in March 2020, as well as the subsequent ministerial and working group meetings, indicate substantial scope for effective global pandemic cooperation. In addition to the new PWG, various joint ministerial meetings—for example, joint trade and health ministerials—could address complex, interlinked policy dimensions of this crisis. G20 health ministerials should increase during the pandemic, similar to the eight finance ministerials scheduled this year.

The G20 should implement new practices for assessing countries’ resilience and rapid-response mechanisms in the face of the interlinked economic, social, health, and environmental shocks from pandemics. Responsiveness to the needs of the Global South is absolutely imperative given the resource constraints, high poverty levels, larger informal economies, and weak or non-existent social safety nets in these countries. This is an important issue for all G20 members, since COVID-19 and future pandemics pose a threat to their political, economic, and social security as well. Pathogens, including the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)—the cause of COVID-19—do not respect borders and constitute a collective global challenge to public wellbeing.

The proposed PWG combines a present- and future-oriented approach to managing pandemic threats, including the growing risk of pandemics due to factors like deforestation, which is increasingly exposing humans to viruses that could be transmitted from other species (Rockström and Edenhofer 2020). The G20 should help institutionalize multilateral preparedness and regional and domestic resilience-building mea-
sures. Positive spillovers from capacity building could enhance responses to future pandemics and other emergencies. This multilevel-governance approach should inform and, when appropriate, coordinate policymaking responses and contingency planning at the global, trans-regional, regional, national, and sub-state levels, utilizing the subsidiarity principle (Knight and Persaud 2008).

This policy brief aims to reinforce two crucial aspects of global governance cooperation, incorporating lessons from COVID-19: (i) transversal policy preparedness and (ii) institutional resilience testing. The first involves new mechanisms for sharing effective policy strategies, especially via G20-member feedback through consultations and multilevel stakeholder engagements, as well as coordination through joint ministerial meetings and the newly-established PWG. This peer learning should be based on equal status, facilitating reciprocal gains from G20-coordinated efforts of stakeholders, including international organizations working with their own member states through new consultation and peer-review processes. This could be initiated by the G20, through consensus-based voluntary agreements, and reinforced by the forum’s considerable authoritativeness as an influential hub of global governance cooperation (Eccleston, Kellow, and Carroll 2015; Kirton 2013; Luckhurst 2016, 2017). This is not intended to undermine or side-step existing decision-making processes in more representative institutions wherein all or most countries are represented, including the WHO, which is mandated to coordinate international health cooperation (Reddy, Mazhar, and Lencucha 2018); on the contrary, it enables these processes, especially through G20 knowledge-sharing, consultative, and feedback processes.

G20 leadership would augment cooperation between international organizations, member states, and stakeholders—including non-state actors and public–private global health partnerships such as GAVI, the Vaccine Alliance—in the global governance of COVID-19 and future pandemics. This global resilience and preparedness framework would be coordinated by the G20 and involve the FSB, IMF, UN, World Bank, WHO, and other bodies. It would consist of regular meetings and consultations, conducted annually or as often as practicable, based on a future agreement between G20 members and potentially other parties. The aim would be to bring institutional pandemic resilience testing and policy preparedness to the mainstream in multiple governance settings, to achieve transversal synergies across diverse fields and institutional contexts, while addressing manifold vulnerabilities, especially in low- and middle-income states (Knight 2019).

1. For an example of ‘mainstreaming’ in an earlier Think 20 policy brief, see M. Thomas et al. (2018).
The greatest global challenges, including pandemics, require the cooperation, coordination, and action of all sectors that benefit from global public goods (Kickbusch and Reddy 2015). The World Bank (2014) asserts that “global public goods benefit every country, irrespective of which ones provide them. Examples [include] the eradication of smallpox...” The COVID-19 pandemic and its substantial global impact has brought into sharp focus the fact that health is a critical global public good (Kaul et al. 2003; Y.F. Thomas et al., forthcoming). During the European Union-initiated Coronavirus Global Response International Pledging Conference, which began on May 4, 2020, global leaders—and private actors—not only successfully raised the targeted US$ 8 billion in initial funding, but also indicated that a “vaccine” against the COVID-19 virus would be a crucial global public good for the twenty-first century (Stevis-Gridneff and Jakes 2020; see European Commission 2020). However, there is evidence of states competing for vaccine and medicine supplies, which could undermine global cooperation on COVID-19 (Financial Times 2020). The G20 should try to maximize mutual gains from these supplies to avoid sub-optimal outcomes and negative repercussions for G20 members.

The G20’s role in a shifting global governance context

The G20 has become a crucial link in global governance cooperation since its first summit in November 2008 (Cooper and Thakur 2013; Kirton 2013; Luckhurst 2016; 2019). The G20 supports the SDGs, thereby indicating that a G20 consensus on a multifaceted, transversal policy strategy is achievable. The G20’s broad policy agenda evolved with extensive stakeholder engagement. The present policy brief and several others from the T20 this year, as well as the joint statement on COVID-19 from six of the official G20 engagement forums (B20 et al. 2020), indicate possible gains from engagement with non-state stakeholders.

The ambitious scope of these proposals does not undermine the implementation prospects; however, careful consideration should be given to the political and diplomatic challenges involved in achieving a comprehensive G20 strategy. The current global crisis influences the prospects of adapting existing institutional processes and policy practices, because crises often increase the necessity for policy or institutional innovation when confronted with mutual vulnerabilities (Widmaier, Blyth, and Seabrooke 2007). The 2008–09 global financial crisis serves as a good example in this regard, as it involved a shift from micro- to macroprudential financial regulation, as well as the augmented role of the G20 as an informal hub of global economic governance.

2. Authors from various theoretical perspectives argue that crises increase the potential for important politico-normative, policy, and institutional shifts (cf. Braun 2015; De Goede 2004; Keohane 2002; Nelson and Katzenstein 2014).
G20-orchestrated transversal response to COVID-19

The COVID-19 pandemic has had far-reaching consequences. The global health emergency has been paralleled by economic consequences that are potentially worse than the last global financial crisis. There has been a rapid increase in unemployment in many countries since March 2020, with some governments compelled to introduce costly mitigation policies. The International Labour Organization (ILO 2020) estimates that the pandemic wiped out the equivalent of approximately 305 million jobs globally in lost work hours, in the second quarter of 2020. Currency, commodity, and financial markets have experienced dramatic fluctuations, with historic lows being witnessed in the oil market. Key economic sectors have been negatively affected in many states, including exports, service industries, hospitality and tourism, aviation, retail, construction, and education.

The G20 is uniquely positioned to manage these complex and interlinked policy challenges, especially due to its diverse agenda over the past decade. The transversal approach would incorporate insights from leaders, sherpas, relevant government ministers, international officials, civil society actors, and stakeholders and could be informed by PWG deliberations under a remit agreed by G20 members. There should be a particular focus on the heterogeneous contexts of the Global North and Global South, with the core insight from the SDGs being that policy recommendations should be tailored to local conditions (UN 2015).

Lessons from the Development Working Group

The Development Working Group (DWG) was established in 2010 to execute the development aspects of the G20’s agenda, albeit with some flaws that could be utilized as lessons while designing the PWG. The DWG implicitly recognized that, apart from the financial and economic dimensions of the global financial crisis, it was necessary to consider the challenges faced by low- and middle-income states to achieve balanced and inclusive global growth. Its ambit was subsequently broadened to include the SDGs. The biggest challenge faced by the DWG is that development issues are covered by various G20 workstreams and also have a finance dimension. However, the DWG lies in the Sherpa Track, not the Finance Track. The G20’s development agenda, consequently, has become fragmented, and there is also duplication without coherence. The DWG’s reporting frameworks could be streamlined, and their outcomes made more accessible to audiences outside the G20 governments. Its engagement

4. See the Appendix for further discussion.
with low-income countries, a key dimension of its focus, has sometimes been ineffective or inconsistent. The value of the PWG and the transversal approach would lay in attempting to overcome such challenges, critical among which is the extent to which governments and stakeholders within and outside the G20 are empowered to participate inclusively, non-hierarchically, and reciprocally, in the evaluations and policy outcomes.

**Resilience and preparedness**

This G20-coordinated pandemic strategy focuses on resilience and preparedness, emphasizing flexible policymaking and effective institutional mechanisms, along with evidence of best practice in managing transversal policy challenges. It advocates regular G20 consultations with partners and stakeholders, coordinated through the PWG and ministerial meetings. Representatives from partner organizations (noted above) could present annual reports and action plans similar to existing G20 practices in other policy areas—for example, its development action plans. This would echo aspects of the reporting undertaken by the IMF, through its Article IV consultations. However, the consultation process should be voluntary and advisory, rather than compulsory, thereby ensuring that the Global South and Global North states participate on the basis of self-interest, subsidiarity, and reciprocal engagement. The G20 should adjust these processes over time, based on changing needs and inputs, especially from Global South governments and stakeholders.

The WHO’s International Health Regulations (IHR) of 2005 would carefully be reviewed. The IHR is an international legal instrument that is binding on 196 state parties. The purpose of the IHR is “to prevent, to protect against, control, and provide a public health response to the international spread of disease in ways that are commensurate with and restricted to public health risks, and which avoid unnecessary interference with international traffic and trade” (Art. 2). The IHR came into force in 2007, requiring countries to develop “core capacities” for rapid detection and response, for purposes such as surveillance, laboratories, and risk communication—buttressed by legislation, financing, and national focal points. The core capacities embrace a public health strategy of strengthening local infrastructure and systems to detect, prevent, and contain infectious disease outbreaks at their source before they spread internationally. Despite being legally binding, many countries do not comply with this framework, resulting in the cross-border spread of pathogens endangering global health security (WHO 2016). This indicates that the WHO should play a key role, in partnership with

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5. See G20 (2016) and the Appendix; also see the documentation collated by the University of Toronto’s G20 Research Group: http://www.g20.utoronto.ca.
the G20, in shaping the transversal approach advocated by this policy brief. The WHO Director-General could contribute further through regular G20 summit attendance.

The proposed G20-coordinated framework for enhancing participating states’ institutional resilience and policy preparedness would mitigate potential risks and damaging consequences from delayed or flawed responses to pandemics. The multisectoral approach partly aims to reduce short-term problems such as food-supply shocks and medical-supply shortages, while establishing multilateral practices to lessen global macroeconomic pressures and market-contagion effects and fears. By operating under the principle of subsidiarity, actors in the multilevel architecture would contribute to the policymaking process based on their level of competence and credibility.

New agreements on trade, especially in relation to medical supplies and goods, should be developed. These could echo aspects of the G20’s anti-protectionist pledges in response to the global financial crisis, including standstill agreements against introducing new tariff measures. On this issue, the particular needs of low- and middle-income states should be prioritized. Monetary policy coordination should also be incorporated in transversal G20 pandemic coordination, building on the 2008–09 cooperation between several central banks. The FSB should play a key role, augmenting its remit to monitor global systemic financial risks to include a specific focus on financial risks stemming from global pandemics. Further financial cooperation could include central banks from the Global North committing to buy government bonds of low- and middle-income states, with these commitments potentially helping to stabilize bond prices and markets. The effects would need to be closely monitored, but might add fiscal space for some states to enhance their institutional resilience and policy capacities. Debt relief, rather than just moratorium, could also be explored as a means to enhance the G20-coordinated global pandemic response. The G20 could further mandate and incorporate World Bank and regional development banks’ efforts in identifying and mitigating pandemic-related economic threats to low- and middle-income states.

The G20’s DWG, along with its official engagement forums, could contribute substantial transversal technical expertise on challenges to the Global South from COVID-19 and other pandemics. The G20 should also engage more extensively with global health actors, considering the potential merits of creating an additional “Health 20” engagement forum including organizations such as Médecins Sans Frontières and EMERGENCY. The T20’s creation this year, of its own Task Force 11—(COVID-19) Multidisciplinary Approaches to Complex Problems—indicates the potential benefits from G20 accessing stakeholder expertise.
PROPOSAL

Positive spillover effects could accrue from this policy brief strategy in terms of improved institutional resilience and broader public-health gains as well as transversal economic, social, and environmental gains through policy learning and improved institutional frameworks. These improvements should be achieved reciprocally rather than hierarchically, through feedback mechanisms and by engaging multilateral, public, private, and civil society actors from the Global North and Global South. This should include G20 outreach with diverse stakeholders, enhancing the forum’s capacities as a multilateral hub of policy networks engaged in resolving the transversal global challenges from COVID-19 and other pandemics.

Conclusion

These proposals emphasize transversal G20 cooperation on pandemic risks. They indicate short-, medium-, and long-term benefits from effective pandemic coordination between members of the G20, its Finance Track, Sherpa Track, international institutions, and other stakeholders. The proposed PWG and joint ministerials could enhance this transversal framework for managing COVID-19 and other pandemics. The shifting global governance context indicates scope for a G20 pandemic response that mainstreams transversal mechanisms to augment institutional resilience and policy preparedness. This is because recent approaches, including macroprudential financial regulation and sustainable development governance, prioritize policy preparedness and institutional resilience in a world of deep uncertainty. Operating through inclusivity, subsidiarity, and reciprocity, the G20 has the capacity to coordinate a transversal strategy for a necessarily complex and multilevel global governance response to COVID-19, while reaping the gains from building preparedness and resilience for the future.
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.
REFERENCES


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Lessons from existing peer-review mechanisms for the proposed instrument for consultations

A peer-review mechanism should provide a clear framework for analysis against recognized benchmarks, as well as opportunities for discussion and mechanisms for follow-up and scrutiny, to foster both mutual learning and accountability. It should be perceived as credible and objective to create a sense of ownership and ensure the commitment of states to the review process (Pagani 2002).

Neither the Mutual Assessment Process (MAP) of the G20 Framework for Strong, Sustainable and Balanced Growth nor the Voluntary Peer Review on Inefficient Fossil Fuel Subsidies (FFS) establishes follow-up mechanisms for states to report on the implementation of recommendations, which hinders stronger accountability. Depending on the frequency of peer reviews, progress should be evaluated during the next peer review or in mid-term reviews, which have become standard in the Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) peer review. Limited public availability, as with the MAP, limits both public scrutiny as well as any opportunity to exert pressure concerning the implementation of recommendations. For publicly available reviews, such as the FFS peer reviews, visibility could be enhanced through launch events in the reviewed country to allow for broader discussion of the results.

Opportunities for mutual learning could be increased through a coordinating expert body and more extensive and inclusive discussions of peer reviews. The credibility of a peer review depends largely on the expertise involved and the sense of accuracy and objectivity (Jongen 2018). The OECD DAC peer review, rated highly on quality and effectiveness, reserves a strong role for the DAC secretariat: it drafts a reference guide for the peer review based on internationally agreed benchmarks and other relevant indicators in discussion with the member states, coordinates peer-review missions, and drafts the report. This lends credibility and ensures the comparability and objectivity of review outcomes. Establishing such an expert body or giving the role to an international organization, like the OECD in the FFS peer review, should be considered when designing state consultations on pandemic resilience. The combination with an external assessment, like in the MAP, is another option to enhance credibility of the review.

6. The OECD DAC peer review assesses the official development assistance (ODA) system of all member countries to improve the quality and effectiveness of ODA through the DAC members’ individual and collective learning. More information at: https://www.oecd.org/dac/peer-reviews.
The scope and breadth of the review dialogue impacts the level of mutual learning. If kept only between the reviewed and reviewing countries, like in the MAP, the peer review misses an opportunity for broader peer-learning through plenary discussions. The proposed Pandemic Working Group could be an appropriate forum for such discussions of a pandemic =--resilience peer review. Inclusion of non-member states and civil society organizations in peer-review consultations and discussions—with approval of the reviewed country—could broaden the mutual learning and better take into consideration the effects of G20 states’ policies on non-members. With regard to non-state participation, members of the official engagement forums could be included.

Figure 1: FFS Peer-Review Process
Source: OECD 2018
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