With or without you

How the G20 could advance global action toward climate-friendly sustainable development

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With a collective responsibility for 80% of global greenhouse gas emissions, while representing 80% of global wealth, the countries of the G20 must throw their weight behind the implementation of both the Paris Agreement on climate change and the 2030 Agenda for Sustainable Development. In the past, the G20 has demonstrated it can do that. The G20 Summit in November 2015 in Antalya, Turkey, provided strong support for the climate agreement signed a month later at the UN Climate Change Conference (COP21) in Paris. In 2016 in Hangzhou, China, the G20 adopted an Action Plan on the 2030 Agenda and committed to “further align its work” with the 2030 Agenda. Even though both agendas have emerged in the multilateral context of the United Nations system, the G20 is expected to exert strong political leadership to address global climate change and to achieve sustainable development.

Yet, since 2017 the G20 has struggled to provide such leadership, as support for multilateral commitments, especially those involving ambitious climate actions, appears to be fading. Crucially, opposition to strong multilateral climate policy in the US and Brazil resorts to outright climate denialism at the highest levels of government. These developments are challenging the G20, and BRICS and the G7 for that...

safeguarding economic prosperity and the stability of the financial system. Achieving this goal will require financial markets and institutions to start considering climate-related risks in their financing decisions. G20 central bank governors and monetary authorities can contribute to this process in several ways. First, they can support measures to improve financial markets’ ability to consider climate-related risks, e.g. better disclosure of such risks. Second, central banks and financial regula-

tors should further deepen their activities in assessing climate-related financial risk exposures of their regulated firms, including what data and methods they are using in assessing these risks, and take appropriate actions if prudential risks are found to be material. Finally, central banks might wish to consider whether they should account for climate-related factors in determining the eligibility of assets for their asset purchase programs or as collateral in their market operations.
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All the same, the tide has been turning against multilateral cooperation in recent years, showing a surge in nationalist populism that thrives, among other things, on outright climate denialism. While this does not automatically trigger the oft-touted “death of multilateralism”, political changes in major countries such as the US and Brazil cannot be ignored. Furthermore, populist parties and nationalist movements have been on the rise in many European countries, too.

It is against this backdrop that club approaches to global governance, as epitomized by the G20, but also BRICS and the G7, tend to look more attractive again. However, empirical observation suggests that the major obstacles to consensus and greater ambition within the exclusive G20 group reflect those prevalent in the universal setting of UN conference halls and involve the same protagonists. Least-developed countries and other non-G20 parties do play their part in multilateral negotiations, but their interventions wield less influence compared with the diplomatic bargaining between G20 players such as the US and China, the EU and Turkey, or Japan, Russia, and Saudi Arabia.

Accordingly, G20 minilateralism as such is no panacea to overcoming the structural barriers that stand in the way of more ambitious climate policy or a more comprehensive implementation of SDGs. Indeed, the G20 should not be considered a global steering committee. Rather, it represents one distinct component of a complex, non-hierarchical global governance architecture. Ultimately, it offers a distinct space to enhance political dialogue in a geopolitically charged context. This provides valuable opportunities to build trust not only between leaders, but also between government officials who participate in the G20’s workstreams and ministerial meetings. Procedurally overcharged multilateral negotiations often fall short of such opportunities. That additional space for focused dialogue provides the basis on which G20 governments can create club benefits between them and thereby provide a conducive environment for bargaining among influential powers (Falkner, 2016). That, in turn, can help consensus-building that can spill over into multilateral arenas and facilitate the implementation of agreed policy objectives internationally and domestically.

The G20 process thus creates complementary opportunities to move things ahead by setting agendas, defining strategic priorities and reiterating commitments. Belonging to the club, G20 leaders can be compelled to assume a greater responsibility, not only for their countries but also for the global common good, given the club’s economic and consumptive power. While the G20 comprises only a small club of countries, these jointly produce roughly 80% of global greenhouse gas emissions and similar shares of global GDP and of international trade.

G20’s Track Record on Climate and Sustainability

Over the years, the G20 has broadened its agenda beyond issues of financial regulation, structural policies and international trade. The Korean G20 Presidency in 2010, for example, put a strong focus on development issues and established the Development Working Group. During the Chinese G20 Presidency in 2016, the G20 adopted the “Action Plan on the 2030 Agenda for Sustainable Development” and pledged to “further align our work with the universal implementation of the 2030 Agenda”. The G20 also made recurring commitments to support multilateral climate negotiations and phase out fossil-fuel subsidies. Climate-related issues moved up the list of G20 priorities after the Mexican G20 Presidency in 2012 highlighted the economic impacts of climate change and founded a study group on climate finance. During the Turkish Presidency in 2015, the G20 provided support for the subsequent climate negotiations in Paris, and Finance Ministers and Central Bank Governors emphasized climate risks for the financial sector.

Within the G20, climate and sustainable development issues are discussed both in the Sherpa and Finance tracks (see Figure 1). During the Japanese Presidency, for example, climate-related issues were not only discussed in the Climate Sustainable Working Group but also in the Infrastructure Working Group, which puts a strong...
emphasis on climate-friendly "quality” infrastructure. Green finance issues, in turn, are typically discussed in the finance track. Given the breadth of the 2030 Agenda, almost all working groups can contribute to its implementation. The Action Plan on the 2030 Agenda, therefore, tasked the Development Working Group "to act as a coordinating body and policy resource for sustainable development across the G20", thereby seeking to enhance policy coherence across the different G20 work streams. The engagement groups of the G20, such as think tanks (T20), business (B20), labour (L20), women (W20) and civil society organizations (C20), also provide strong backing for G20 action on climate and sustainable development.

Nevertheless, the G20’s support for multilateral commitments to climate action and sustainable development appears to be fading. While the German G20 Presidency succeeded in keeping momentum with regard to the implementation of the 2030 Agenda by agreeing, among other things, a “Hamburg Update” of previous commitments, it was less successful with regard to its climate agenda (Scholz & Brandi 2018). Building on the outcomes of the 2015 G7 summit in Elmau, the German G20 Presidency sought also to put a strong emphasis on climate policy. Yet, this effort was undermined by the new US president, as he backtracked from previous climate commitments.

Ultimately, the German G20 Presidency decided to sideline the US and adopt the ambitious "G20 Hamburg Climate and Energy Action Plan for Growth” as "G19+1". Observers at the time hailed this outcome as an important political signal, given the fear that other countries might follow the US. However, in light of waning support for climate policy and international cooperation, the "G20 minus X" option might well prove a slippery slope, accidentally inviting more countries to deviate from a G20 majority.

While climate and sustainability-related issues did not figure very high on the agenda of the Argentinian G20 Presidency in 2018, the Japanese Presidency showed more ambition. On climate, it intended to support stronger climate action at the Osaka G20 summit, by working with non-state actors and by enhancing climate financing, among other measures. The outcomes of the Japanese G20 Presidency on climate, however, have been unambiguous. The level of ambition seems to be higher during the Saudi Arabian G20 Presidency, which started in December 2019, as it includes the goal of “safeguarding the planet” as one of three priority areas.

Nevertheless, beyond commitment on paper, implementation of these commitments at home and outside G20 meetings is essential. While the 2030 Agenda tends to be less controversial than the processes around the Paris Agreement, three G20 members have not yet submitted a Voluntary National Review (VNR) (the US has not volunteered a date for reporting; Russia volunteered for 2020; China volunteered in 2016, but the full review is not available; the EU is not required to report, but volunteered to present its progress on the SDGs in 2019). Moreover, Russia and Turkey have yet to submit their first Nationally Determined Contributions (NDC) under the Paris Agreement, Turkey has not yet ratified the agreement and the US filed a withdrawal notification at the end of 2019.

MOVING FORWARD AGAINST THE ODDS
It is against this background that we suggest four pathways for action to foster climate-friendly sustainable development against the current trends of the national and international political environment.

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First, it would be beneficial to focus on the multitude of interactions between climate and sustainable development that are essentially synergistic. Bottlenecks caused by different views and priorities among G20 members could be overcome by focusing on actions with multiple co-benefits. In that sense, we propose that the G20 emphasizes specific issue-centred policies that are compatible with the objectives of the Paris Agreement and 2030 Agenda, but are not considered primarily as “climate policy” or “sustainability policy”. Indeed, many climate actions promise real benefits in terms of job creation, economic savings, competitiveness, and improved well-being more broadly (New Climate Economy, 2018). This would relate, for instance, to investments in sustainable infrastructure in the context of urbanization in a way that is climate resilient and compatible with sustainable development. Pertinent actions that could be of par-
Many climate actions promote real benefits.

Second, we encourage the G20 on domestic levels and in the G20 workstreams to embrace non-state and subnational actors as strategic partners in building capacity, strengthening implementation locally and globally, and boosting transnational cooperation. Indeed, engaging non-state and subnational actors could help to secure support and continuity on key issues even in G20 minus X situations. For instance, when the United States announced its intention to drop out of the Paris Agreement, subnational and non-state US actors united under “We Are Still In”, thereby helping to maintain continuity of climate action and engagement domestically and internationally. Empirically, climate and sustainable development action by non-state and sub-national actors has been growing rapidly around the world, becoming more and more effective and filling some of the gaps left by states. In an increasingly complex world, the support of both state and non-state actors is essential (Chan, Brandi, & Bauer, 2016). It could help G20 member states to find more efficient solutions to domestic and global challenges and ensure that efforts in specific development areas do not hinder progress in others. Promising examples such as the regular meetings of the Development Working Group with the Engagement Groups could also be adopted by other working groups of the Sherpa and Finance tracks.

Third, we recommend that G20 working groups and thematic workstreams draw leaders’ attention to their respective priorities by co-producing issue-specific deliverables jointly across working groups. This would help to overcome policy silos and increase ownership and uptake of compartmentalized issues beyond the “usual suspects” of the policy field in question. One promising example is the co-production of deliverables on quality infrastructure during the Japanese Presidency by the infrastructure, anti-corruption and development working groups.

Finally, we call upon experts and colleagues within the Think 20 (T20) Task Forces and beyond to concentrate their efforts on joint themes, rather than further expanding on increasingly specialized topics and policy recommendations. While there is undoubtedly a need for more research and specialized policy advice, the inefficacy of the G20 hardly results from a lack of knowledge and analysis. Indeed, the proliferation of ever more policy briefs, all of which compete for the attention of Sherpas, Finance Deputies and working group delegates, may obscure the proverbial wood from the trees. It should be worthwhile not only to call upon ministries to bridge policy silos but also to work across research silos. This may prove more labor-intensive than writing the next policy brief that appears topical to any given task force. However, putting heads together across task forces should help to identify the key areas suitable for the issue-centered approach called for above, to create aggregate messages that speak to a number of G20 working groups rather than only the obvious silo-counterpart, and thereby to gain traction within the G20 process. In that regard, to have a stronger impact, the T20, as a transnational network, could detach its working approach from the G20 calendar, set the tone for cross-group collaboration, and start to shape thematic priorities well ahead of the official G20 process.

This article is a revised and updated version of Bauer, Berger & Iacobuta (2019).
The diet of the future

The challenge of creating a healthy and sustainable diet

There is no viable future for the planet if humanity does not successfully shift toward a diet that is both healthy and sustainable. We’ve been focused on the first objective for decades, so we’re probably pretty close to achieving this goal, right? Wrong. The “triple burden” of malnutrition is global, and it’s getting worse: More than 820 million people experience hunger. More than a quarter of the global population lacks the necessary nutrients in their diet. Across all continents, food insecurity is more prevalent among women than among men. One out of every five school-age children and almost two out of every five adults are overweight or obese, and obesity currently causes more than 4 million deaths worldwide.

Now what if we add the additional challenge of making our diets not only healthy, but sustainable? The complexity of the potential solutions increases exponentially. Policymakers, politicians, legislators and experts around the world are struggling to address these issues. If humanity has been unable to improve the indicators associated with global hunger and nutrition, how are we going to reduce the almost 37% of greenhouse gases that are produced by the food systems that support our diets? How can we shift away from the current focus on monocultures, one of the


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Ethos Public Policy Lab transforms research and experiences into clear and concrete public policy recommendations that address the most pressing problems and challenges facing development and progress in Mexico and Latin America. From innovative economies to sustainable food systems and transparent institutions, we encourage positive change to further economic, social, and political development.