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BRAZILIAN CENTER
FOR INTERNATIONAL
RELATIONS

G20 BRASIL

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Contact: revista@cebri.org.br

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FROM THE EDITORS

G20: From Brazil, to the World 15
Marianna Albuquerque

SPECIAL SECTION

G20: Participation of Non-State Actors and
 Prospects for the Brazilian Presidency 21
Márcia Loureiro

Rio, a Capital for G20 in Brazil 36
Lucas Wosgrau Padilha

Brazil Hosting of the 2024 G20: Promise and
 Impediments in a High-Stakes, High-Drama
 Summit 45
Andrew F. Cooper

Think Tanks, Solutions-Brokers in a New
 Multipolar Order? 62
**Tetsushi Sonobe &
 Nicolas J. A. Buchoud**

The G20 as a Multilateral Force 77
Kanica Rakhra

A Roadmap for Brazil's G20 Presidency
 on Sustainable Finance 95
**Maria Netto, Lucca Rizzo &
 Cíntya Feitosa**

Bretton Woods 2.0 and a New Marshall Plan?
 Brazil's G20 Presidency and Reform of the
 International Financial Architecture 112
Michael Jacobs

Rising Roles for Emerging Economies
 in G20 126
Mike Liu

The Brazilian G20 Presidency and the
 Case for Building a New Global Political
 Consensus on Energy and Finance 143
**Alden Meyer, Anna Peran,
 Eunjung Lee & Sima Kammourieh**

Climate Change & Just Energy Transition:
 What the North Can Learn from the
 South? 166
Syed Munir Khasru & Tércio Amrizzzi

Accelerating Sustainable Development
 with Convergence of SDGs, Localization
 and Lifestyles 194
Sachin Chaturvedi

Why "South"/"North" Framings Are Not
 Useful in a Shifting World Order 217
Anna-Katharina Hornidge & Axel Berger

Promoting a New Narrative for Progress
 and Prosperity: Tapping the Potential
 of the Brazilian G20 Presidency 238
Markus Engels & Dennis J. Snower

INTERVIEWS

"I have no doubt that Brazil can help
 imprint the type of ambition we need" 246
Amina J. Mohammed

"[Brazil and India] have a stake and
 voice, by rights, not indulgence" 254
Samir Saran

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The T20 operates as the G20's "ideas bank," gathering and disseminating insights from high-level experts from think tanks and academics worldwide, with evidence-based research on current and emerging challenges addressed by the G20 process. It influences the negotiations and the final declarations made by the G20.





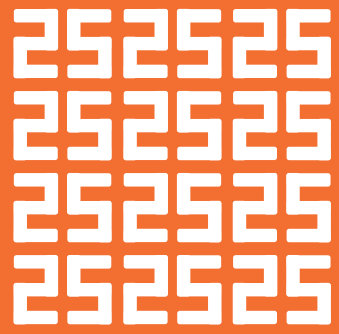
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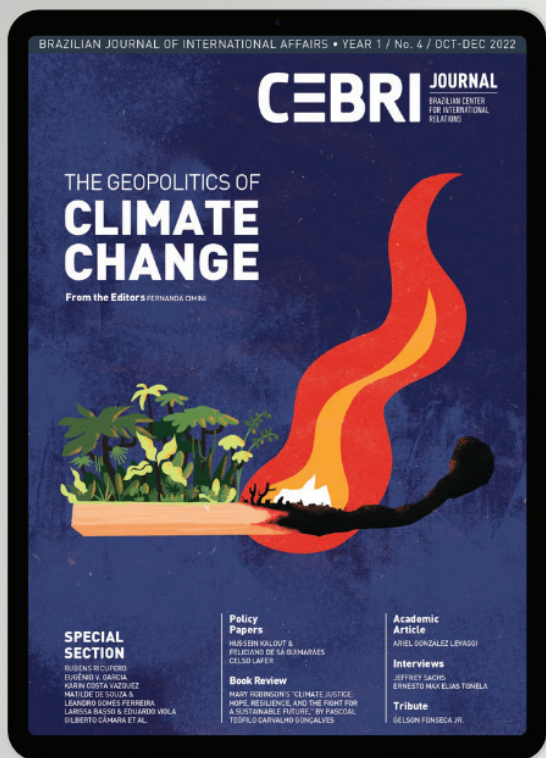
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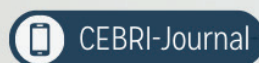
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CEBRI JOURNAL

Year 2 / No. 8 / Oct-Dec 2023



FROM THE EDITORS

G20: From Brazil, to the World	15
Marianna Albuquerque	

G20: From Brazil, to the World

Marianna Albuquerque

Any resident or tourist walking through Rio de Janeiro will come across signs and installations announcing that the city will host the G20 Summit in 2024. Although hurried or uninformed eyes may not fully grasp this information, it illustrates much more than we might assume at first glance.

The G20 was created in the context of the Asian economic crisis of the 1990s. The macroeconomic imbalance highlighted the need to include developing countries in international economic and financial stability discussions. Initially conceived as an informal forum for coordination among the Ministers of Economy and Finance and the leaders of Central Banks of the 19 major world economies, in addition to the European Union and the newly included African Union, it was promoted to a Summit in 2008, in the aftermath of the severe global economic crisis.

Data can help us visualize the G20's relevance. Together, its members account for approximately 85% of the world's gross domestic product, over 75% of the international trade flows, around two-thirds of the world's population, and 75% of the planet's greenhouse gas emissions. It underscores why it cannot be relegated to a second-tier forum. If, in the past, the group emerged to respond to crises, the forum is currently a noble space for anticipating instabilities and creating joint solutions.¹

Its structure also presents innovative governance by not having a fixed Secretariat and delegating the coordination of activities to the country in the annual rotating Presidency. To ensure a minimum of continuity, the incumbent, the former, and the next Presidency form the Troika. Activities are organized around two

1. For an in-depth account of the G20 and the Indian Presidency, in Portuguese, see Albuquerque (2023).

Marianna Albuquerque is an Adjunct Professor at the Institute of International Relations and Defense at the Federal University of Rio de Janeiro (IRID-UFRJ). She holds a PhD and a Master in Political Science from the Institute of Social and Political Studies at the State University of Rio de Janeiro (IESP-UERJ).

negotiating tracks: the Sherpa Track, responsible for socioeconomic issues, led by the Ministries of Foreign Affairs; and the Finance Track, dedicated to monetary policy issues, coordinated by the Ministries of Economy. In parallel, the G20 also foresees the participation of civil society, which makes recommendations to negotiators through the official Engagement Groups. Among them, the Think20 (T20) stands out, which, during the Brazilian Presidency, will have CEBRI as one of its organizers and leaders, alongside IPEA and FUNG.²

What is the importance, therefore, of the Brazilian Presidency? In a moment of renewed expectation regarding Brazil's role in international politics, it will be, above all, a crucial moment for the country to present the credentials of the new government in a high-level economic forum. As India led the group in 2023, and South Africa will assume the Presidency in 2025, Brazil will lead a Troika of developing countries alongside two countries with a history of cooperation in forums such as BRICS, IBAS, and BASIC. The intention to expand the region's participation in the discussions translates into the invitation that Brazil extended to Paraguay and Uruguay,³ aiming to increase the representation of developing countries and strengthen Mercosur (Albuquerque & Feitosa 2023).

The international opportunity converges with domestic realignments in Brazil that highlight the multilateral agenda. Taking office as President for his third term,⁴ Lula highlighted foreign policy priorities such as eradicating hunger and poverty, reconnecting with Latin American countries, and leading the fight against global climate change. Brazil declared that, under its Presidency, the G20 will adopt the motto *Building a Just World and a Sustainable Planet* and will have three priority themes: energy transition; fair and sustainable development (with emphasis on combating hunger, poverty, and inequality); and reform of multilateral insti-

What is the importance, therefore, of the Brazilian Presidency? In a moment of renewed expectation regarding Brazil's role in international politics, it will be, above all, a crucial moment for the country to present the credentials of the new government in a high-level economic forum.

2. See more at: <https://cebri.org/en/midia/330/cebri-ipea-and-funag-establish-t20-brazils-organizing-committee>.

3. See: <https://www.gov.br/mre/en/contact-us/press-area/press-releases/invitations-to-paraguay-and-uruguay-to-participate-in-the-brazilian-presidency-of-the-g20>.

4. CEBRI Journal dedicated its fifth edition to the prospects of Lula's third term. All texts are available at <https://cebri.org/revista/br/edicao/5/jan-mar-2023>.

tutions. In addition, the creation of the Global Alliance to Combat Hunger and Poverty, the Global Mobilization against Climate Change, and the Bioeconomy Initiative were also announced (Brazil 2023).

Expected with optimism, the leadership, however, occurs in a challenging moment. After the Indian Presidency, marked by opulence and an extensive and ambitious agenda, some questions remain open. The retention of Russia's participation, viewed with displeasure by some group members, was an obstacle—but not a hindrance—to consensual decision-making in the last two summits. Everything indicates that the issue will continue to challenge the diplomatic efforts of negotiators.

If the declaration also addressed central issues for Global South countries, such as debt vulnerabilities, reform of multilateral development banks, progress on Sustainable Development Goals, and the development of public digital infrastructure to promote financial inclusion and productivity, the sentiment surrounding commitments in the areas of climate change and energy transition, agendas dear to Brazil, was ambivalent.

As a positive point, leaders agreed to seek to triple the capacity of renewable energy worldwide by 2030, create the Global Biofuels Alliance, of which Brazil will be a part, and a new “green development pact” among member States, with contours yet to be defined. The declaration also emphasized debt restructuring to provide funds for developing nations to face climate challenges, setting the tone for discussions in the upcoming Conference of the Parties (COPs). However, leniency towards coal use, which remains politically sensitive for consensus, overshadowed progress. The expectation that the document could replace “phase down” with “phase out” did not materialize, compromising global goals. It will be up to Brazil to use its known diplomatic skills to reverse the veto points.

..*

The aforementioned topics are the starting point for this issue of CEBRI-Journal's Special Section, dedicated to perspectives on the Brazilian Presidency of the G20. We open the issue with texts from two leaders who are involved “behind the scenes” of the Brazilian Presidency and have kindly shared their impressions and analyses. The first is a contribution from Ambassador Márcia Loureiro, President of the Alexandre de Gusmão Foundation (FUNAG), which, along with CEBRI and the Institute for Applied Economic Research (IPEA), will lead the T20. In the text, the Ambassador highlights the role of civil society in multilateral negotiation processes. Following this, Lucas Wosgrau Padilha, coordinator of international relations for the City of Rio and leader of the Rio20 Committee, points out how hosting the

Summit in the city is an instrument to renew the international vocation of Rio de Janeiro, which has already been the stage for decisive international events.⁵

In the other texts, we navigate through some of the themes that promise to be central to the Brazilian Presidency and the maintenance of the G20 as a relevant forum. Andrew Cooper indicates potential obstacles and opportunities for Brazil to maximize the resolution of tensions in the G20, while Tetsushi Sonobe and Nicolas Buchoud suggest that a possible solution is to expand the participation of institutions dedicated to being “solution brokers:” the think tanks. Kanica Rakhra, in turn, provides a detailed analysis of the Indian Presidency and makes the case for why the G20 should continue to be prioritized as a “multilateral force.”

As the Delhi declaration pointed out, the interface between climate, development, and the international financial system will continue to be a central theme in the group’s agenda. In their text, Maria Netto, Lucca Rizzo, and Cíntya Feitosa propose a roadmap for the Brazilian Presidency to bring sustainable finances to the center of the debate. Michael Jacobs, in turn, points out the challenges of adapting the Bretton Woods financial system to the new demands of international financing. Next, Mike Liu brings development to the table and discusses the role of emerging countries in international negotiations.

Alden Meyer, Anna Peran, Eunjung Lee, and Sima Kammourieh advance the issue by connecting climate change and the Global South with the challenges of a just energy transition. The theme of sustainability and development is also the focus of Sachin Chaturvedi’s paper, while Anna-Katharina Horidge and Axel Berger question the relevance of using the North and South categories in diplomacy. The Special Section concludes with the text by Markus Engels and Dennis Snower, a synthesis of the opportunities of the Brazilian Presidency in promoting a narrative of progress and prosperity.

As it is already a tradition of CEBRI-Journal, our interview section brings first-hand accounts from two stakeholders at the forefront of multilateral processes. First, we have the honor of absorbing the knowledge of Amina J. Mohammed, Deputy Secretary-General of the United Nations, Chair of the United Nations Sustainable Development Group, and former Minister of Environment of the Federal Republic of Nigeria. In the interview, the Minister emphasizes the urgency for G20 countries to make robust commitments in the climate area and presents examples of good practices already underway. In the second interview, we have the participation of Samir Saran, President of the Indian think tank Observer Research Founda-

5. See more in Padilha’s episode of the podcast CEBRI Talks (available in Portuguese) at: <https://cebri.org/br/midia/445/estreia-cebri-conversa-horizontes-do-g20-lucas-padilha>.

tion (ORF) and head of the T20 Secretariat during the Indian Presidency in 2023. Saran presents the potential contribution of Engagement Groups to the G20's official tracks and points out expectations regarding the Brazilian Presidency.

On behalf of the editors, I wish all readers an excellent reading, and may 2024 bring a well-deserved success to Brazil and to the world. 🇧🇷

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SPECIAL SECTION

G20: Participation of Non-State Actors and Prospects for the Brazilian Presidency .. 21 Márcia Loureiro	
Rio, a Capital for G20 in Brazil 36 Lucas Wosgrau Padilha	
Brazil Hosting of the 2024 G20: Promise and Impediments in a High-Stakes, High-Drama Summit 45 Andrew F. Cooper	
Think Tanks, Solutions-Brokers in a New Multipolar Order? 62 Tetsushi Sonobe & Nicolas J. A. Buchoud	
The G20 as a Multilateral Force 77 Kanica Rakhra	
A Roadmap for Brazil's G20 Presidency on Sustainable Finance 95 Maria Netto, Lucca Rizzo & Cíntya Feitosa	
Bretton Woods 2.0 and a New Marshall Plan? Brazil's G20 Presidency and Reform of the International Financial Architecture 112 Michael Jacobs	
Rising Roles for Emerging Economies in G20 126 Mike Liu	
The Brazilian G20 Presidency and the Case for Building a New Global Political Consensus on Energy and Finance 143 Alden Meyer, Anna Peran, Eunjung Lee & Sima Kammourieh	
Climate Change & Just Energy Transition: What the North Can Learn from the South? 166 Syed Munir Khasru & Tércio Ambrizzi	
Accelerating Sustainable Development with Convergence of SDGs, Localization and Lifestyles 194 Sachin Chaturvedi	
Why "South"/"North" Framings Are Not Useful in a Shifting World Order 217 Anna-Katharina Hornidge & Axel Berger	
Promoting a New Narrative for Progress and Prosperity: Tapping the Potential of the Brazilian G20 Presidency 238 Markus Engels & Dennis J. Snower	

G20: Participation of Non-State Actors and Prospects for the Brazilian Presidency

Márcia Loureiro

Abstract: This article focuses on the role of non-state actors in the G20 structure, through their participation in the Engagement Groups. It outlines how these groups have evolved and what to expect in 2024, concerning the degree of convergence between their agendas and the priorities of the Brazilian Presidency, and the possible improvement of government-society interaction mechanisms. The article also discusses some challenges to the consolidation and meaningful participation of Engagement Groups in the G20 processes.

Keywords: G20; Brazil; T20; social participation; non-state actors.

As Brazil gets ready to assume the G20 Presidency, a particular focus of attention is the role of non-state actors in the plurilateral group. This article briefly overviews how their participation and agendas have evolved along previous Presidencies and what to expect in 2024. To this end, it outlines the process of creation and expansion of the so-called Engagement Groups, which are the channels for society to express itself within the forum that brings together the twenty largest economies, now joined by the African Union with its 55 member countries.¹

The universe of Engagement Groups covers business, union, academic, scientific, and third sector entities with varied geographic scope and different political orientations, without overly rigid contours. A common trait among these actors is their articulation in transnational networks, such as trade union associations and coalitions of non-governmental organizations. Being such a diverse lot, participants often defend different and even contrasting views and positions. There is considerable variation in their mobilization efforts, which naturally tend to be more intense around themes of direct and specific interest.

The expansion process of Engagement Groups in the G20 was preceded by social participation mechanisms in multilateral organizations, particularly in the UN system. It can be said that the mobilization of society had its turning point at the UN Conferences in the 1990s and early 2000s, from the preparatory work for Rio-92² until the Durban Conference.³

Along this trajectory, citizen involvement gradually advanced from the organization of independent events towards progressive incorporation into official processes. Such incorporation is very much in line with the Brazilian vision following the promulgation of the 1988 Federal Constitution, which highlights the value of social participation, understood as an essential element in public policy making.

In the G20, the mobilization of civil society organizations became evident during the first Summit (Washington, November 2008). It was amplified the fol-

1. Six African Union member countries are currently suspended.

2. United Nations Conference on Environment and Development (UNCED), held in Rio de Janeiro, from June 3 to 14, 1992.

3. III World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance, held in Durban, from August 31 to September 8, 2001.

Márcia Loureiro is a career Ambassador with experience in the areas of multilateral economic organizations, science and technology cooperation, congressional affairs, and cooperation against transnational crime. She has served in the embassies in Lima and Washington, and in the consulates in Boston, San Francisco, and Los Angeles. Since July 2021, she has been the president of the Alexandre de Gusmão Foundation (FUNAG), a research institution affiliated with the Brazilian Ministry of Foreign Affairs.

lowing year in London, with a conference on human rights, development and environment. As in other multilateral forums, governments responded to this movement by gradually structuring interaction with non-state actors. To a large extent, this opening process was due to protests held in 2009 (London and Pittsburgh) and 2010 (Toronto), in a scenario of violent demonstrations and arrests of activists.

In recent years, public demonstrations and protests have diminished considerably. At times, civil society has adopted a more questioning and critical stance, as in the Saudi Presidency in 2020. That year, Amnesty International, CIVICUS and Transparency International released the joint statement “Why we are not engaging with the G20’s civil society process in 2020”, which would be endorsed by around 220 civil society organizations. During the Indonesian and Indian Presidencies—respectively, in 2021 and 2022—the G20 activities took place without any major incidents.

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BUSINESS 20

Among non-state actors, the business sector has a long history of interaction with the official G20, even before the recognition of the B20 as an Engagement Group in Toronto, in 2010. The International Chamber of Commerce (ICC) and the World Economic Forum (WEC) consistently participate in its work. B20 can be considered the Engagement Group with the most significant influence on final documents, with its policy papers and reports often listed as official supporting documentation.

Well structured, B20 formulates recommendations on a broad thematic agenda, currently developing its work in eight task forces: trade and investment; employment and education; energy transition and climate; digital transformation; finance and infrastructure; integrity and compliance; sustainable food systems and agriculture; and women, diversity, and inclusion in business.

During the Brazilian Presidency, activities will be under the responsibility of the National Confederation of Industry (CNI, in the Portuguese-language acronym), which coordinates a system formed by 27 industry federations in the Brazilian states and federal district and has participated in the B20 process since 2010. The chosen motto—“Inclusive growth for a sustainable future”—unfolds into five areas that clearly illustrate the ambitious agenda: to promote inclusive growth and combat hunger, poverty, and inequality; to accelerate a fair net zero transition; to increase productivity through innovation; to foster the resilience of global value chains; and to enhance human capital.

YOUTH 20

Also in 2010, the Canadian Presidency formalized Y20. Despite being one of the earliest, this Engagement Group still needs support for its consolidation, depending heavily on official and private funding.

Y20 activities in Brazil are to be led by the National Youth Council, a consultative body responsible for coordination between government and civil society in matters of policies for young people. They will also rely on the support of the National Youth Secretariat, an executive body linked to the General Secretariat of the Presidency of the Republic that coordinates all federal youth-related programs.

The following themes were selected for the five Y20 working groups: combating hunger, poverty, and inequality; climate change, energy transition, and sustainable development; reform of the global governance system; inclusion and diversity; innovation and the future of work. Y20 is planning a meeting on the margins of the Youth Forum of the United Nations Economic and Social Development Council, in April 2024.

Brazilian coordinators have expressed their intention to extend the activities to the entire national territory, considering the importance of regional diversity in a country of continental dimensions. To this end, they have created a federative council, an innovation that might be of interest to the future involvement of subnational entities in the G20 engagement groups.

LABOR 20

L20 congregates trade unions from the G20 countries and international unions. It was made formal in 2011, during the French Presidency, although labor organizations had sought interlocution with the G20 leaders in previous years—already in November 2008, union leaders met with heads of State and government, among whom Brazilian President Luiz Inacio Lula da Silva.

The International Trade Union Confederation (ITUC) and the Trade Union Advisory Committee to the Organization for Economic Co-operation and Development (TUAC-OECD) traditionally participate in the L20 coordination. This Engagement Group has an intense interaction with the G20 official tracks, addressing the Employment Working Group, Sherpa, Labor, and Finance Ministers meetings, and the G20 Summits.

L20's broad agenda comprehends themes such as decent work, minimum wages, collective bargaining, social protection, the care economy, women's labor market participation, the gender pay gap, adverse effects of digitalization on labor markets, just energy transition, and the future of work.

During the Indian Presidency, the Indian Workers' Union (BMS in the Hindi-language acronym), which is not an ITUC member, conducted the official L20 process. As a result, parallel meetings were convened, and ITUC released critical statements deeming the contents of the G20 Leaders' Declaration insufficient in topics such as workers' rights, the role of trade unions, climate action, and just transition.

In 2024, the articulation of Brazilian unions will be done by the ITUC-affiliated Unified Workers' Central (CUT in the Portuguese-language acronym), the country's main trade union central.

THINK 20

T20, the group that brings together think tanks and other research institutions, was an initiative of the Mexican Presidency in 2012.

A distinctive feature of T20 is its multi-thematic nature, since it is not limited to addressing a single interest area or advocating for a specific proposal. For this reason, T20 appears to be one of the Engagement Groups with the greatest potential to promote dialogue and coordination of joint proposals with its counterparts.

This broad thematic scope poses a challenge to national organizing committees. During the Brazilian Presidency, the six task forces will discuss the following themes: combating inequality, hunger, and poverty; sustainable climate action and fair and inclusive energy transition; reform of the international financial structure; trade and investment for sustainable and inclusive development; inclusive digital transformation; and strengthening multilateralism and global governance. Gender and race will be cross-cutting issues, in the understanding that T20 may not have adequately addressed them in previous years.

The national coordinators of T20 in 2024 will be the Institute of Applied Economic Research (IPEA), the Alexandre de Gusmao Foundation (FUNAG), and

the Brazilian Center for International Relations (CEBRI), the first two being public foundations and the third an independent organization. Viewing inclusiveness and representativeness as factors of legitimacy and effectiveness, the committee has added to the T20 structure two “advisory councils”—one national and one international. This is an attempt to broaden the participation of the global think tank community, going beyond the regions that are usually better represented—Europe, North America and, more recently, Asia.

CIVIL 20

C20 gathers civil society organizations in the strict sense. Perhaps the Engagement Group with the most conflictive trajectory, it began its dialogue with the official tracks around 2009 and was formally recognized in 2013, during the Russian Presidency.

Participation in the work of the C20 is open to civil society organizations worldwide, regardless of whether they come from G20 member countries. These organizations can sign up for the working groups they wish to join. However, their meaningful participation depends largely on financial resources available and on the dialogue space each presiding country decides to offer.

Compared to B20 and L20, it is fair to say that the degree of influence of the C20 is still below its potential, in contrast with the G20 official discourse of inclusion and representation. Its impact is particularly limited in matters relating to international financial governance. Some authors (Chodor 2020) argue that the design of the C20 itself aims to manage social conflicts while limiting contestation.

A civil society organization of the host country usually chairs C20. In Brazil, this position will be fulfilled by the Brazilian Association of Non-Governmental Organizations (ABONG), which has taken part in C20 since its early days. A “Sherpa” position is to be occupied by the NGO Gestos. Representatives of both entities have referred to the expectation of international civil society that the process in Brazil might be more inclusive than in the two previous Presidencies, when participation was reportedly very concentrated on national organizations from the host countries.

The coordinators of C20 in Brazil consider that they need to establish bridges with all working groups on the Sherpa and financial tracks, emphasizing global economy and finance themes. Issues of gender and race, sexual orientation, and traditional peoples and communities have also been highlighted.

WOMEN 20

W20 was formalized in 2015, in Türkiye. Its original purpose was to implement the “25x25” commitment to reduce the gender gap in labor force participation by 25% by 2025, adopted at the Brisbane Summit in 2014. It brings together women that are active in civil society, business, and academia. As the participation of delegates takes place on an individual and voluntary level, the issue of funding is particularly relevant to this Engagement Group. Social entrepreneur Ana Fontes, founder of the Woman Entrepreneur Network (RME), has been chosen as delegation leader in Brazil.

The group’s thematic focus is primarily economic: female entrepreneurship, capital and market access, education and training, expansion of the job market for women, including in leadership positions, and the care economy (paid or unpaid). Additional topics of interest are women in STEM careers, combating violence, and climate justice.

In the months leading up to the start of the Brazilian Presidency, national delegates have alluded to ethnic-racial issues as a cross-cutting theme. Their goal is the increased presence of women of color in the W20 discussion spaces, based on the observation that, in previous editions, participation has been predominantly white.

As in Y20, the Brazilian coordination is concerned with the geographic distribution of events. It intends to organize five national dialogues, one in each region of Brazil (South, Southeast, North, Northeast, and Center-West), in addition to the regular W20 conference calendar.

SCIENCE 20

In a line of work that bears a certain similarity to that of T20, S20 seeks to bring research, policy and practice closer together. It was formally created in 2017, during the German Presidency, although, in previous years, several national science academies had already sought to exert joint influence on the G20 in topics such as climate change, water resources, and global health.

Under the coordination of the Brazilian Academy of Sciences (ABC), the five thematic areas will be social justice, inclusion, combating poverty and inequality; artificial intelligence (in the aspects of ethics, privacy, and reliability); bioeconomy; energy transition (renewable energy, social and economic considerations); and health (quality, equity, and access). Food security, gender, and race will be cross-cutting themes.

STARTUP 20

The youngest Engagement Group is StartUp20, which was made official by the Indian Presidency in 2023. Still in the organization phase, its most natural and immediate goal is to become better known. In Brazil, coordination will be under the responsibility of the non-profit Brazilian Association of Startups (ABStartups), which has expressed a commitment to diversity. The Association intends to organize outreach activities in all Brazilian states and to attract players not usually included in the innovation ecosystem.

Assessing the impact of non-state actors on the G20 agenda-setting and policymaking is extremely complex. However, the relevance of the work carried out in the Engagement Groups should not be evaluated solely on the basis of their direct impact on the official documents. Some Engagement Groups are a suitable environment for building knowledge on topics that are not yet mature enough to become recommendations to governments. This is perhaps particularly true in the case of the T20 and S20, whose dynamics are conducive to data exchange and joint research that may lead to scientific consensus and, in due time, to concrete proposals.

The current list of eleven Engagement Groups comprises three more, which are not made up of non-state actors. The first is U20, created in 2017 on the initiative of the mayors of Buenos Aires and Paris. Bringing together municipalities, it can play an important role in several issues of a global nature that require the involvement of sub-national entities. The second is P20, made official in Argentina in 2018, which gathers the parliaments of the G20 members. The third is SAI20, which connects higher audit institutions, formalized in 2022 by the Indonesian Presidency. A twelfth Engagement Group gathering supreme courts might be created during the Brazilian Presidency.

WHAT TO WATCH DURING THE BRAZILIAN PRESIDENCY

The preparatory meetings held in the second half of 2023 indicate, in general, significant convergence between the themes proposed by the national coordinators of the Engagement Groups with the three priorities of the Brazilian Presidency as presented at the New Delhi Summit. Such priorities are social inclusion and the fight against hunger; energy transition and sustainable development in its social, economic, and environmental aspects; and reform of global governance institutions—all three under the “Building a fair world and a sustainable planet” motto.

As seen in the previous paragraphs, these major themes resonate with the work proposals of most Engagement Groups, suggesting a dynamic of collaboration rather than conflict between State and non-state actors during the Brazilian Pres-

idency. The official discourse contributes to the construction of this collaborative logic, as the presidential statement in New Delhi expressly indicated that “Brazil’s Presidency will ensure that engagement groups have the opportunity to report their conclusions and recommendations to government representatives.”

A shared interest of Brazilian organizing committees is to deepen the coordination among Engagement Groups, with the purpose of mutually reinforcing their proposals to the official tracks. Several national coordinators expect this collaborative dynamic to be a differentiator of the Brazilian Presidency. Also anticipated as a distinctive feature of the Brazilian Presidency is the intention to add to the agenda the promotion of racial equality in several aspects, such as combating structural racism, the economic empowerment of the black population, and the unequal impact of climate change on vulnerable groups.

Activities of non-state actors during the Brazilian term will be closely followed by the General Secretariat of the Presidency of the Republic, a body with ministerial status responsible for assisting the President in the government-civil society dialogue. The Secretariat has encouraged interaction between Engagement Groups and has announced a new concept under the “G20 Social” title, which will be further elaborated in the coming months.

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This concept would encompass some Engagement Group activities; joint initiatives of Engagement Groups with the Sherpa and finance tracks, self-organized NGO activities, and a Social Summit immediately preceding the G20 Summit in November.

Besides the themes that are already well established in the Engagement Group agendas, several other topics seek to expand their own space. One of them is ocean conservation and sustainability, which was the object of special meetings during the Indonesian and Indian Presidencies. It might be further explored in the broader context of the United Nations Decade for the Oceans and of Sustainable Development Goal n. 14 of the 2030 Agenda.

On a related topic, water security could merit attention, perhaps within S20—while potentially attracting other stakeholders within T20 and even Y20—given the troubling water scarcity situation in many regions of the globe, its negative impact on sustainable development and on geopolitical stability.

The evolution of issues related to indigenous peoples is also to be observed. Historically, these groups have not been among the most visible stakeholders in the G20 processes. However, this situation might change, given their increased mobilization in Brazil—where a new federal Ministry for Indigenous Peoples was created in early 2023—and their direct involvement with environmental matters and climate justice.

This non-exhaustive list also includes the often-present theme of philanthropy, usually promoted by the Foundations Platform, a network of around 80 organizations which currently focuses on climate change, biodiversity conservation, and just energy transition. There have been no indications on the part of the upcoming Brazilian Presidency in the sense of establishing a new Engagement Group in this area, but nothing prevents the interested players from advancing the philanthropy agenda in collaboration with existing Engagement Groups or under the umbrella of the already announced G20 Social.

OLD AND NEW CHALLENGES

The interplay between governments, civil society, and the private sector in the G20 keeps finding new pathways, in a cooperation-conflict dynamic that is not necessarily mutually exclusive. For the continuous improvement of this interaction, the following aspects warrant attention:

Participation Without Real Influence

The process within the Engagement Groups and in dialogue mechanisms with official tracks must not be perceived as ineffective, that is, as an instrument intended to create an appearance of social participation without its proposals being taken into account by governments or having any actual influence on policy making.

In the months prior to the Brazilian Presidency, national coordinators of the official tracks have reiterated their willingness to increase the interaction with Engagement Groups and to invite them “into the room.” Concerning the financial track, historically seen as closed and little permeable to dialogue with society, government representatives have expressed their intention to inaugurate direct conversations with national and international civil society on topics such as fair taxation;

development financing; external debt; reform of the international financial governance; gender and racial considerations.

As for the Sherpa Track, Engagement Groups are being encouraged to move up the delivery of their recommendations and proposals to coincide with the mid-2024 meeting so that they can be considered in a timely manner for possible use in the leaders' final documents. Rules of procedure for Sherpa-Engagement Group interaction are under elaboration.

Official representatives have also expressed sensitivity to the need for greater interaction between the financial and Sherpa tracks, an aspect seen by non-governmental actors as inadequate in previous Presidencies.

Excessive Predominance of Countries or Groups of Countries in Agenda-Setting and Policy Proposals

Efforts are necessary to avoid disproportionate participation, real or perceived, of organizations and social movements of the country that holds the Presidency. This also applies to countries with a longer record of involvement and more resources to finance the participation of their non-governmental actors, especially when their positions converge with the official agendas that governments wish to advance. The challenge is, therefore, to re-balance the role of non-state actors from the G20 as a whole.

This balance has been a particular point of concern for T20. The national organizing committee is striving to reduce the historic underrepresentation of Latin American think tanks. Since Brazil is the only one of the eight Amazonian countries to be part of the G20, it would be of particular interest to include research centers from the other seven⁴ in the debates and the drafting of policy briefs—provided that the rules of procedure admit the participation of institutions based in non-G20 member countries. The expanded participation of Amazonian think tanks could promote the exchange of ideas and possibly lead to regional coordination with a view to the 30th Conference of the Parties to the Climate Convention, which Brazil will host in the year following the G20 Presidency.

In the context of the recent entry of the African Union in the G20, the T20 national coordinators also seek to attract the equally underrepresented think tanks from that continent. At the end of the Brazilian presidency, it will be necessary to assess the degree of receptivity to these dissemination and mobilization efforts.

4. The other members of the Amazon Cooperation Treaty Organization (ACTO) are Bolivia, Colombia, Ecuador, Guyana, Peru, Suriname, and Venezuela.

Need for Institutional Improvement Given the Rotating Nature of Presidencies

There is frequent criticism from non-state actors regarding the degree of transparency and the need for more consistency in the interaction mechanisms between government and social players. This interaction still depends largely on the disposition of each Presidency, and there may even be setbacks from one rotating Presidency to another. Based on the criterion of rules of procedure that are formal, predictable and public, it is possible to assess that the level of institutionalization in government-society interaction within G20 is still low. There is, therefore, a certain tension between this expectation of greater institutionalization and the desirability of preserving, at least at the current stage of the group's evolution, some space for innovation and flexibility on the part of each rotating Presidency.

Financing of Civil Society Participation

This issue is linked to the challenge of institutionalization, since it affects the regular and effective participation of less financially endowed actors. In this aspect, B20 and L20 seem to be in a more advantageous position than the other Engagement Groups. As a general rule, non-state actors want to participate not only in G20 discussions, but also in G7 and other multilateral conferences, which requires selection and prioritization. The scarcity of resources has repercussions on the underrepresentation of non-state actors from the so-called Global South. Although the hybrid format of meetings made possible by new communication technologies partially alleviates this difficulty, the limitations imposed by remote participation are widely known.

Performance Assessment

Another demand frequently presented by non-state actors is the creation of minimally formal processes for monitoring the implementation of the commitments agreed upon by the governments. Initiatives aimed at independent monitoring of results have already been attempted, such as the G20 Business Scorecard, with a specific focus on business recommendations, which the G20 Business Advisory Group of the International Chamber of Commerce published for some time. Other non-state actors have created their own assessment tools.

There are indeed practical difficulties, such as methodological variation and dependence on self-reporting, and limitations that arise from the G20 governance structure itself, such as the lack of a permanent Secretariat and the Troika-based

model. Nonetheless, the weight of political factors in the G20's accountability cannot be ignored, given that members would not wish to expose performance or measurement shortcomings, whether their own or those of other members. The G20 has recognized, in Summit and lower-level documents, the importance of evaluating results for its accountability and, consequently, its legitimacy, but progress in this area has been, for now, gradual and limited at most.

Consistency Between the G20 Agenda and that of Other Multilateral Forums, Especially in the UN System

It is necessary to avoid the same legitimacy-related criticism directed, for instance, at the G7. This requires communication between the G20 and what has been dubbed the "G173"—that is, the other UN member States, bearing in mind that the decisions and recommendations of the G20, which represents 85% of the world's GDP, 60% of its population and over 75% of global trade, have a profound impact on countries outside the group as well.

Knowledge Management

Non-state actors often point out the need for the G20 memory and the content generated over successive Presidencies to be brought together and become more easily accessible to the public. Reports, communiqués, contact lists, and best practices, systematized and translated into several languages whenever possible, would be a valuable resource for society and subnational entities in the vast and heterogeneous G20 universe, thus contributing to implementation assessment and accountability. A familiar difficulty faced by the academic community and other interested parties has been the temporary nature of several official websites, which negatively impacts transparency.

In the absence of a permanent G20 Secretariat, independent initiatives have been taken to compile the accumulated knowledge. Perhaps the best known of such initiatives is the G20 Information Centre, coordinated at the University of Toronto's Munk School of Global Affairs and Public Policy, which offers, in nine languages, content produced by a global network of researchers and participants. Another useful source of information is the extensive survey carried out by Hajnal (2019), which systematizes official documents, studies, and policy papers produced by think tanks, universities, business, and third sector entities, memoirs by government authorities, theses, dissertations, and dedicated websites that collectively attempt to preserve the history of G20.

Public Safety and Cybersecurity

Finally, as Brazil gears up to host the global society in a rich, yearlong series of activities, it must be mindful of the legitimate concerns of non-state actors about the appropriate preparation, by rotating Presidencies, of security plans for event infrastructures and the physical integrity of their participants. Society also expects the necessary awareness and training of law enforcement agents about cultural differences and issues related to race, gender, and sexual orientation that might surface and lead to miscommunications in public spaces. Still in the security area, governments and all organizations that operate in the digital environment need to be careful in protecting the personal data of activists and other non-state actors.

Based on recent official statements and interactions, civil society, the business sector, and the academic community have justifiable expectations for their participation and influence to take deeper roots in the months ahead. If this scenario proves true, a more democratic, development-centered G20 will be closer to the vision expressed at the 2009 Pittsburgh Summit, when it was designated as the premier forum for international economic cooperation. ■

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Rio, a Capital for G20 in Brazil

Lucas Wosgrau Padilha

Abstract: Rio de Janeiro will be the capital of G20 Brazil in 2024, doing its part in securing a diplomatically relevant, intellectually innovative, and economically transformative legacy for the country, with hosting responsibilities matching high expectations in terms of logistics, hospitality, and safety. Rio wants to be the platform for engagement for stakeholders interested in positively influencing the most anticipated event of world politics in 2024.

Keywords: G20 Brazil; Rio G20 capital.

In November 2024, Rio de Janeiro will host the G20 Leaders Summit, which Brazil will preside over for the first time. Rio—a three-letter synthesis of many faces of Brazilianess—is globally known as a frequent host of international events on sports (Rio 2016 Olympics, Brazil 2014 World Cup Final, 2007 Pan American Games), music (Rock in Rio, Carnaval Parades and the largest New Year’s eve celebration on the planet), and sustainability (1992 UN Earth Summit, 2012 Rio+20 Summit). A former capital of Brazil often nicknamed “The Wonderful City,” the city will now add the G20 Leaders Summit to a list any major city in the world could envy. By the end of 2024, only Rio and London will have hosted the Olympics and the G20.

But is that it?

The G20 is presided over by country members, and its Summits are in-person events hosted by cities. Heads of State participate in a highly political year-long consensus-building process. At the same time, mayors support a two-day gathering of 20 delegations led by heads of State and government, plus invited countries and international organizations (leading up to 40). Finance and Foreign Ministers conduct G20 financial and diplomatic (or Sherpa) tracks, respectively. Cities push their departments of traffic and public utilities to prepare grounds for visitors with high expectations towards the Summit—and the city itself.

But more than a pleasant destination and a haven for high-level and demanding tourists for two days, is there any strategic role or legitimate interests that cities can represent at the G20? What path will Rio take to reach the Summit?

A former capital of Brazil often nicknamed “The Wonderful City,” the city will now add the G20 Leaders Summit to a list any major city in the world could envy. By the end of 2024, only Rio and London will have hosted the Olympics and the G20.

G20 IN RIO, RIO AT THE G20: REVAMPING MULTILATERALISM WHILE HARVESTING BILATERAL BONUSES

The G20, the Group of Twenty, consists of the world’s 19 largest economies, the European Union, and the African Union from 2023 on. The group’s

Lucas Wosgrau Padilha is the Special Coordinator for International Affairs and Cooperation at Rio de Janeiro City Hall and Head of the Rio G20 Municipal Commission.

origins trace back to 1999 when Finance ministers and Central bankers gathered to coordinate policy responses to regional financial crises and their systemic risks for the global economy. In less than a decade, the forum transitioned from an economic policy forum to a meeting led by national leaders. Since 2008, these high-level leaders convene annually under a rotative Presidency, issuing communiqués that garner substantial media attention and, more crucially, establish global frameworks for guiding and harmonizing national and international policies to ensure global financial stability.

As a Global South representative with a historical commitment to multilateralism, Brazil starts its G20 presidency conscious that no country alone can set a self-centered agenda exclusively derived from its foreign policy goals.

Building upon the Indian and Indonesian Presidencies of G20 (2023 and 2022, respectively), in 2025 Brazil will hand over the baton to South Africa, completing a cycle of four G20 Presidencies by developing countries. For its Presidency, Brazil has set its three priorities for the G20 cycle starting December 1, 2023: social inclusion and the fight against hunger; energy transition and sustainable development in its social, economic, and environmental aspects; and the reform of the global governance institutions.

In order to conduct relevant dialogues and results upon these matters, Brazil glimpses from the beginning a convergence between the political and financial tracks, as it believes that it is pointless for countries to define what they consider to be the best public policy if they do not also allocate the necessary resources for its implementation. In early December, Sherpa and Financial Track meetings will be held on dates close to one another, precisely to bring them together in between to start aligning expectations and perspectives (Moreira 2023).

The G20 motto under Brazil—*Building a Just World and a Sustainable Planet*—could not better reflect the 30 years since the “Spirit of Rio” became a paradigm for United Nations conferences: multi-stakeholder participation in negotiation processes, open events for the general public and the media, and the challenge to interpret and encourage economic development acknowledging and addressing climate change, loss of biodiversity and increasing inequality between classes and countries. Rio92—known as the Earth Summit or Eco92—helped shape the framework for the contemporary climate agenda and a comprehensive meaning for multilateral diplomacy. Two decades later, at Rio+20, the city would return to the stage to welcome the Conference that laid the foundations for the 2030 Agenda for the United Nations Sustainable Development Goals (SDGs) framework.

Building upon the experiences of Rio92 and Rio+20, the city will transform into a year-long co-laboratory for the G20: the City Hall has been mobilizing national and international partnerships for impactful side events and Engagement Groups meetings. From partnering with local and global universities and think tanks to hosting major international meetings on sustainable finance and bioeconomy, Rio is eager to contribute to a Summit that revamps multilateralism while maintaining that same 1992 spirit.

Throughout the year, Rio is willing to join its voice with other cities and non-state actors in setting the stage for the Leader's Summit in November 2024. Better public and private finance for local governments and support for cities' plans for adaptation and mitigation to climate change resonate with Brazil's foreign policy priorities and its strategy to build bridges between the G20 in Rio and COP30 in Belém. Fair energetic transition, research and development in the Global South, and boosting the potential of bioeconomy¹ are key to the economic development of Rio and Brazil.

The G20 in Brazil is set to have more than 80 official events across 17 cities, with the expected participation of more than 20,000 delegates starting in December 2023. Rio City Hall has defined for itself challenging goals to be matched during the Brazilian Presidency of the group: hosting at least 30 official events organized by the Federal Government and official Engagement Groups, supporting 60 associated events ranging from cultural, artistic, and community initiatives led by the civil society, and attracting ten main side events of international relevance.

A successful G20 in Rio also means harvesting bilateral bonuses from intense virtual and in-person exchanges between Brazilian stakeholders (in business, social movements, academia, and governments) and their counterparts, from Argentina to Japan. In 2024, the Brazilian diplomatic calendar also celebrates important milestones, such as the 50th anniversary of the bilateral relations between Brazil and China and the 200th anniversary of relations between Brazil and the United States.

In the meantime, the G20 and its members are striving to find new ways to invest, trade, research, and do international politics. Some numbers tease the opportunities ahead of Brazil: G20 members embrace about two-thirds of the global population, account for around 85% of the world GDP and over 75% of the global commerce. Equally important are the knowledge production and the

1. Bioeconomy is an innovative paradigm that Brazil will bring to the table. Besides ensuring the protection of forests and remuneration for ecosystem services, the bioeconomy can be more profitable than traditional agricultural activities, guaranteeing greater social well-being by offering an alternative to deforestation for the local population. Thus, Brazil wants to attract financing and investments to consolidate this model, considering that it benefits the country and the whole world. Standing and responsibly productive forests are one of the most efficient forms of climate mitigation and meet the high standards of consumer markets in several G20 countries. Therefore, there is an opportunity cost for the entire world if the bioeconomy does not take off, with the great potential to cause socioeconomic losses.

development of a changing mindset in Brazilian society based on the priorities that will be addressed by the mobilization of 87 from the 100 best universities of the world, 90% of the Nobel Prize winners, and 97% of patent applications in the world that G20 encompasses.

It is time for Brazil—and Rio—to lead the G20 as a platform to launch a new cycle of development—public and private, local and national—benefiting from bilateral opportunities while renewing the meaning of our commitment to multilateral global governance.

G20 TRACKS: A YEAR-LONG AGENDA FOR MULTILATERAL ENGAGEMENT IN RIO

Over time, the G20's scope has broadened to include a wide range of global issues, extending beyond its initial financial and economic policy agenda to reach security and the climate crisis. Recognizing an international context of growing technological complexity, political polarization, mistrust against elites, and fragmentation of international behaviors and rules, the G20 became a year-long go-to forum for stakeholders interested in international engagement. Businesses, social movements, think tanks, and scientists, to name a few, bring diverse and sophisticated global governance perspectives, from vaccines to artificial intelligence and women's rights to youth employment.

Many tracks lead to the Summit. Led by an experienced diplomat—a Sherpa—devoted almost exclusively to G20 working groups, task forces, initiatives, and ministerial meetings, the diplomatic track organizes dozens—from education to health, climate to labor—of closed-door meetings for delegates and international organizations leading up to the leader's Summit. Adding up to the Sherpa's Track, the Ministry of Finance and the Central Bank lead the financial track. A third track also leads to the Summit, which gets more people into the room.

Benefiting from an environment that is both multilateral (consensus-based decision-making) and informal (as the G20 has no permanent Secretariat), the G20 meetings count on Engagement Groups that countries have officially recognized as legitimate actors to prepare and influence state-led deliberations. These independent collectives represent different segments of society and provide input to the G20 by developing their own agenda and task forces, publishing policy papers, holding their own Summits, and issuing a communiqué submitted to the host country's chief negotiator (the Sherpa) for consideration. Business 20 (B20), Startup 20, Science 20 (S20), Civil 20 (C20), Labour 20 (L20), Think 20 (T20), Women 20 (W20), Youth 20 (Y20), and Urban 20 (U20) are increasingly relevant acronyms in multilateralism.

For instance, Rio will co-preside U20 Brazil with the city of São Paulo within the global urban policy conversation. Brazil, especially from the perspective of its two largest cities since the mid-20th century, has witnessed the many impacts of urbanization as a local-global phenomenon transforming the very meaning of politics, demographics, infrastructure, and economics. Increasingly, international relations are produced in the context of cities and their local governments, acknowledging that the Argentinian Presidency of the G20 and the City of Buenos Aires, in 2018, created the U20 having permanent two city networks as conveners and technical advisors to its rotating presidents, United Cities and Local Governments (UCLG) and C40. Thirty-eight cities and metropolitan areas from the G20 are represented in the U20 by their own city–Sherpas under the leadership of mayors, governors, and CEOs (a few of the many possible titles for chief local authorities).

More than attracting delegates and events fostering the post-covid recovery of tourism in Rio, the City Hall has been creating opportunities for a broader engagement process with the G20 not only through its leadership of the U20. With a whole-government approach, the municipal leadership for women and youth rights, economic innovation, science and technology, and environment, to name a few, have been collaborating with Brazilian Engagement Groups and their Brazilian organizers, such as W20, Y20, Startup20, B20, S20, and T20.

AN INTENDED LEGACY: RIO AFTER THE G20

Rio's hosting of the United Nations Framework Convention on Climate Change (Eco 92) in 1992 and the Rio+20 Summit in 2012 have clearly influenced a positive feedback loop of Rio's engagement in sustainable development initiatives. Similarly, hosting G20 and its official and side events has the potential to foster deep dialogue and articulation opportunities in Brazilian and Rio's society for sustainable development, social and financial inclusion, and business opportunities. At the same time, Rio is already leading and engaged in many agendas, mainly in combating climate change, as it is already formulating and implementing public policies and programs for a resilient and inclusive city, which can leverage the priorities set by Brazil for the G20.

Rio was the first Brazilian capital city to formulate and publish a bold Climate Action Plan, accounting for more than 800 targets to 2030 based on SDGs and technically supported by local NGOs, universities, city networks, and UN-Habitat. Rio is home to Latin America's most extensive community urban garden and has already accumulated almost 3,500 hectares of reforested areas. Floresta da Tijuca and Pedra Branca are the two most extensive urban forests in the world—and both benefited from reforestation programs. Rio is the most bio-

diverse megacity in the C40 network and the first to preside over the prestigious network from the Global South. Rio has a plan to fight climate change, starting from where investments are needed the most.

In 2023, Eduardo Paes—mayor of Rio during the 2016 Olympics and Rio+20—joined forces with mayor Anne Hidalgo from Paris and the economist Jeffrey Sachs to head the Sustainable Development Solutions Network (SDSN) Global Commission for Urban SDG Finance, a UN initiative to develop innovative financial solutions for local governments pressured by the climate crisis and the urge to fight poverty. The SDSN Commission will handle its final report at the U20 Summit in Rio.

Rio leads a global alliance to enable better private and public finance for projects in areas such as public transportation and energetic transition (like solar panels installed and run by community-based businesses) in cities. For cities to thrive and pay lower interest rates for good SDG projects, many local, national, and international reforms need to be addressed—including the reform of multilateral development banks (MDBs) and a G20 agenda.

Rio has been experimenting with bold solutions to the climate crisis, proving that the Global South can develop scalable mitigation projects. The city became the first municipality in Latin America to sign a Power Purchase Agreement (PPA), ensuring 100% renewable energy supply to the central municipality headquarters and avoiding around 40,000 tons of CO₂ emissions in the next five years, as well as rendering savings in the order of US\$ 5 million in the same period. In 2024, Rio City Hall intends to sign a PPA for hospitals, schools, and more administrative buildings, scaling up an intelligent solution that lowers emissions while saving money. The Rio PPA inspires other Brazilian municipalities, opening an avenue for cities to fund a nationwide energy transition in a country already recognized as having the cleanest energy matrix in the G20.

According to a World Resources Institute (WRI) study, if all G20 countries set ambitious emissions-reduction targets for 2030 and commit to reaching net-zero emissions by mid-century, global temperature rise could be limited to 1.7 °C in 2100,

Being the capital of the G20 goes further than welcoming official meetings and helping to prepare a Summit: Rio wants to be the platform for engagement for stakeholders interested in positively influencing the most anticipated event of world politics in 2024.

keeping the Paris Agreement 1.5 °C goal within reach. Considering that tackling climate change is primarily about historical reparation and social justice, G20 in Brazil has the unique opportunity to address inequalities while fostering climate-resilient and inclusive socioeconomic development in Rio—a city that has been active, at least since 1992, in the consolidation of the very concept of sustainable development.

Rio will be the capital of the G20 in 2024. The responsibility to host starts with matching high expectations regarding logistics, hospitality, and safety with close cooperation with competent State and Federal level authorities. Being the capital of the G20 goes further than welcoming official meetings and helping to prepare a Summit: Rio wants to be the platform for engagement for stakeholders interested in positively influencing the most anticipated event of world politics in 2024. By doing so, Rio will do its part in securing a diplomatically relevant, intellectually innovative, and economically transformative legacy for Brazil. 🇧🇷

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Brazil Hosting of the 2024 G20: Promise and Impediments in a High-Stakes, High-Drama Summit

Andrew F. Cooper

Abstract: This article offers an appraisal of both the promise and impediments regarding Brazil's hosting of the 2024 G20, a high-stakes, high-drama event. President Lula da Silva—with capable bureaucratic support—possesses both strong elements of charisma and experience that play well to the space of performance and policy. Nevertheless, at both the state and societal level, complications obtrude. Building popular support for the G20 faces the constraints of political and societal divisions. Furthermore, notwithstanding hopes that Brazil (and Lula) will be able to promote an expansive policy agenda, expectations persist that a turn back to geopolitical considerations will dominate the summit.

Keywords: G20; summitry; Brazil; Lula da Silva; geopolitics; BRICS.

Brazil's hosting of the 2024 G20 in Rio de Janeiro on November 18-19 promises to be a high-stakes, high-drama event. After a burst of activity as a crisis committee amid the 2008 global financial crisis (GFC), the commonplace opinion was that the G20 Summit process had faded in intensity (Cooper 2019a). Nevertheless, although the image of the G20 as the promoter of a collective agenda related to global management has become far less prominent, if anything, the role of the host for the G20 has become more accentuated (Cooper & Alexandroff 2019). Whereas in the early stages of the G20 scrutiny emphasized the delivery of collective benefits, the focus now has turned to the role of specific countries (and leaders) taking on the Presidency role concerning the Summit process. To a considerable extent, diminishing instrumental expectations around this informal institution explains this paradox. However, it is also a function of the evolving character of the G20, with an appreciation of the space in terms of agency regarding diversified hosts to put their stamp on the shape of the Summit.

The shift from a small, tight, concert-like forum comprising traditional great powers to a larger, in comparative terms at least, democratized leaders' gatherings is quite evident. To be sure, the established powers, the United States (U.S.), Great Britain, France, and Russia are there with their leaders. However, in contrast to the earlier G7 (that also includes Japan, Italy, and Canada), there is a far wider set of large economic market powers—China, India, and Brazil, and from the emerging developing powers—the Republic of Korea (South Korea), Mexico, Turkey, Indonesia, and others. These annual gatherings of G20 leaders have opened the range of members and put the international focus on leaders in ways not seen in international governance before. If in some ways similar to past

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Andrew F. Cooper is University Research Chair, Department of Political Science, and Professor at the Balsillie School of International Affairs, University of Waterloo in Ontario, Canada. From 2003 to 2010, he was Associate Director and Distinguished Fellow at the Centre for International Governance Innovation (CIGI). His books include *BRICS VSI* (OUP 2016), and *The Concertation Impulse in World Politics: Contestation over Fundamental Institutions and the Constrictions of Institutional International Relations* (forthcoming, Oxford University Press).

concerts, they differ from those earlier meetings in fundamental ways. Unlike the Big 3 gatherings of 1943/1945, most notably, they are not meetings of the great wartime leaders, privileging Franklin Roosevelt, Joseph Stalin, and Winston Churchill.

The nature and impact of this shift in participation is reinforced by the contrast between the fluidity of the G20 and the fixed organizational attributes of the United Nations Security Council (UNSC), the International Monetary Fund (IMF), and the World Bank. Unlike in the formal international organizations (IOs), there is no fixed hierarchy: a construction underscored by the shift in the hosting role attached to the Presidency of the G20 away from the traditional elite encompassing western-oriented countries in and beyond the G7 countries to countries firmly embedded in the Global South—Indonesia in 2022, India in 2023, and now Brazil in 2024.

Such dynamics deserve attention given the unique—and unanticipated—nature and meaning of the process around the G20. Even acknowledging the level of contestation maintained around the creation and operation of the G20 (especially by smaller countries) (Cooper & Momani 2014), the move to elevate the G20 to the leaders' level can be viewed as a dramatic phenomenon in world politics (Cooper 2010). In generic terms, it must be reiterated that this response is not a fundamental institutional departure in that some elements of the G20 are consistent with past eras in which a cluster of traditionally powerful countries come together to act as a crisis committee/steering committee for the world. As well rehearsed, such concerts came to the fore in the aftermath of consequential moments of turbulence in 1814/1815, 1919, and 1945 (Ikenberry 2001).

When looked at more closely, though, the differences, not the similarities, between the present moment and earlier eras jump out. Not only did the nature of participation serve as a major break, but the catalyst for the new order was also a massive financial crisis rather than the turbulence of war. Unlike concert-like forums of earlier eras, the G20 possesses neither the image of allies/victors in war nor a sense of ideological uniformity or anti-revolutionary ethos. In terms of participation, most members of the G20 had no experience with the earlier institutional formats.

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Moreover, unlike the stalled process of UNSC reform or other IOs, bringing the Global South was done without protracted debate. When the call came for the G20, notwithstanding some considerable ambivalence about the format, all the Emerging Powers not only took part but engaged in the preparation, especially in the case of Brazil, from its position as chair of the G20 Finance in 2008. As Guido Mantega, the then Brazilian Finance Minister (IMF 2008) indicated, these countries called for a new form of institutional improvisation:

There is no agile structure prepared to deal with emergency economic problems. That is what we have seen at this time... We have to turn this G-20 into a forum or a tool of some kind that can provide answers to immediate problems and coordinate its actions better amongst many countries. We are facing the most serious financial crisis, perhaps since the crisis of 1929, and as this crisis is getting more serious, it demands quick answers, immediate answers. It must be monitored day by day, hour by hour, so that the necessary measures can be taken to handle the problems that arise. So, there must be very agile instruments available for that to happen.

Certainly, this buy-in by Brazil and other countries from the Global South was facilitated by the way that the G20 Finance had evolved as a problem-solving forum since its establishment in the late 1990s. As John Kirton argues, “Brazil was initially a reluctant participant. It feared the new G20 might undermine the traditional United Nations-based multilateralism of the ‘G192’” (Kirton 2011). Nonetheless, with the experience of the G20 Finance as a guide, Brazil was placed in a front-and-center position when the GFC hit. Not only could Brazil use its voice, but it could also act. Minister Mantega hosted the first emergency G20 ministerial meeting on October 11, 2008, in Washington, DC.

Furthermore, President Lula da Silva not only accepted President George W. Bush’s invitation to the November 2008 G20, but sat at the side of Bush for the “family” photo-op. Indeed, notwithstanding a wide number of reservations about the G20, Lula was pleased to take credit as one of the prime creators of the G20. As Lula articulated this sense of shared ownership in 2023, before Brazil took on the presidential function in terms of the 2024 summit: “I am one of the founder members of G20.” In so doing, a signal was also made concerning the import of the G20 in demonstrating and promoting the importance of the multipolar world (NDTV 2023).

The accommodation attached to this approach, albeit still contingent on performance, represented a major departure not only from the older concert models going back to and beyond 1945 but also from the culture of the G7/8. From this

perspective, comparing Brazil's relationship to the G20 and the G7/8 is significant. After all, President Lula da Silva had castigated his unequal role at the French-hosted Evian Summit in 2003: "What is the use of being invited for the dessert at the banquet of the powerful?" he asked, targeting the merely symbolic participation of emerging powers at the yearly gathering of the (then) G8. "We do not want to participate only to eat the dessert; we want to eat the main course, dessert, and then have coffee," he added, emphasizing emerging powers' claim to have a role in global decision-making processes (Wines 2007).

And for sure, the expansionary persona of the G20 as an inclusive body became reinforced by the opening of other institutions to specific countries in the Global South, the prime example being the reform of the Financial Stability Forum into the Financial Stability Board. Such a broadening out included opening membership to key non-Western states already brought into the G20, including Brazil. However, the innovative quality of the G20—as marked by the emphasis on organizational equality between members—went well beyond the functional. As David Held noted with effect, the G20 featured "an unprecedented successful attempt by developing countries to extend their participation in key institutions of global governance" (Held 2010, 204).

THE FOUNDATIONAL MODELS FOR LEADERSHIP BEYOND THE TRADITIONAL ELITE

It is misleading to suggest, notwithstanding the culture of organizational equality that, in de facto terms, all members of the G20 held equal standing. As one former official put it: "The chairs of the G20 need to show a certain deference to the concerns of the most influential G20 members, the United States, the European Union, Germany, Japan, the United Kingdom, and China" (Bradlow 2016, 143). That said, it became recognized that the host country taking on the Presidency (together with, to some extent, the other members of the Troika, encompassing the past host, the present host, and the future immediate host) must have the latitude to shape the agenda of Summits per national priorities.

Accordingly, space opportunities within the context of the G20 were located over time by countries outside the traditional elite on several foundational models. One approach is associated with South Korea's leveraging the hosting of the G20 in November 2010 to shape some of its agenda (Cooper 2011). The Seoul Summit was not the only first non-Western summit. It revealed a move away from the core agenda in the aftermath of the GFC, with the shift toward the development dimension of the G20 and global economic governance, as

illustrated by the Seoul Consensus on Development. The Seoul Summit process also thickened the G20 process, including the notable adjustment concerning a formula for non-member participation, enabling the Summit host to invite up to five guests. At the same time, South Korea pushed some boundaries of non-state participation (Cooper 2013).

As epitomized by China's approach, the other model was far more nuanced. Internally, China made a significant distinction between civil society and the business community: downplaying the former and cultivating select strata of the latter. In this vein, building on the model pioneered by South Korea, the B (Business) 20 meeting held just before the Chinese 2016 Hangzhou Summit was unprecedented in scale. Externally, whereas South Korea prioritized the G20, China remained ambivalent about adopting a similar approach. China gave the G20 some considerable attention in recognition of the culture of equality. To illustrate this type of institutional buy-in, the original G20 Chinese Sherpa was the experienced Vice Minister of Foreign Affairs, He Yafei (He 2015).

Even so, this focus did not come at the expense of other priorities. In comparative institutional terms, as reflected by China's 2016 hosting at the Hangzhou Summit, the onus was on a dualistic approach: engaging with the G20 in a manner that also directed at fuller engagement in UN priorities. To give a prime illustration, initiatives such as the G20 Blueprint on Innovative Growth highlight the consolidation between organizations, with the G20 in a delegating role. Notably, the blueprint aimed to be enriched by a "G20 taskforce supported by the Organisation for Economic Cooperation and Development and the FSB." A core strength of this alternative model is that it allows the G20, indirectly or directly, to inform and actively engage its governance by cutting across several global governance architectures simultaneously. One example that stands out is the U.S.-China joint ratification of the Paris Climate Change Agreement—immediately before the 2014 Brisbane Summit—and the endorsement of the Hangzhou G20 Action Plan on the 2030 Agenda for Sustainable Development (G20 Leaders' 2016).

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BUILDING A TEMPLATE FOR THE GLOBAL SOUTH

Indonesia and India faced high-stakes, high-drama tests beyond what South Korea and China had to deal with. No less than South Korea and China, the consistent theme was a desire to send a signal about their global standing. However, Indonesia and India had potential limitations of a very different and more onerous type. This is not to suggest that Indonesia or India lacked experience in hosting major events, whether a Summit of peers as in the case of the Non-Aligned Movement (or the G77) or, for that matter, major UN events. Still, hosting a Summit of the magnitude—and media scrutiny—around the G20 was of a very different magnitude.

As two experienced G20 watchers have commented, it is misleading to suggest that the tests for hosting only relate to “substance” as opposed to “logistics and location features” (Chin & Dobson 2015, 164). Confirming this point, India has long been sensitive to its performance as a host to global Summits. Writing in 2019, Akshay Mathur, at the Indian think tank Gateway House, made a compelling case why the G20 should be viewed positively by a “rising” India in line with a more inclusionary global system: “The G20 is unique. Here, developing countries can display their political, economic, and intellectual leadership on a par with the most powerful countries. The G20’s rotating Presidency ensures that no one country dominates the agenda” (Mathur 2019).

Even among the enthusiasts, though, there was an ingrained strong concern regarding procedural dynamics that India must step up in operational capacity to deliver as an effective host. Accordingly, considerable attention was paid to the need for infrastructure that meets G20 criteria: “Unlike the Olympics and more like Davos, this effort is focused on a small but powerful group which expects good airports, accommodation, conference facilities, and communications infrastructure all year round” (Mathur 2019).

Furthermore, beyond the physical tests, concerns came to the fore about a gap in human capital. At least by comparative standards, India continued to make do with a bureaucratic culture comparatively deficient in the context of the G20 process. For one thing, there has been a lack of coordination among the relevant (and understaffed) ministries. For another thing, the appointment of Sherpas has retained an ad hoc image. In combination, these weaknesses were said to put India at a protracted disadvantage to the performance of the West, and increasingly by China, and, it might be added, to middle powers such as South Korea (Cooper 2014).

ARE THE TESTS FOR BRAZIL DIFFERENT?

On several counts, at first glance, Brazil is in an advantageous position over the relevant Global South peers in managing a high-stakes, high-drama Summit. The annual event places a high degree of value, particularly on the hosting leaders and various government officials. It is vital because those leaders and their governments host the organization and are responsible for delivering policy initiatives. Status can be enhanced or lost by the effectiveness, or not, of the leader's actions and policy determinations. The leaders' focus is salient for several reasons.

For one thing, the G20 at the leaders' level lacks some of the socialization process witnessed in the past. The G7 culture of political like-mindedness and meetings in smaller, often remote sites, allowed leader outlooks to converge on issues. The G20 is highly diverse geographically and in terms of their political backgrounds. Both of these trends highlight the role of leaders as the G20 goes forward (Cooper & Alexandroff 2019), even if many of the leaders around the table lack the experience or the expertise in dealing with collective problem-solving at the core of the G20's mandate.

President Lula da Silva possesses strong elements of charisma and experience that reinforce the image of the potential animation of a high-stakes, high-drama Summit. Facing massive domestic political and economic challenges at home, Lula has a great incentive (and capacity) to leverage the hosting function symbolically and instrumentally. The G20 serves as a primary means to enhance his personal status positioning (Brazil 2023a; 2023b). Equally, animated by a compelling sense of ambition, Lula has the opportunity to address key policy issues: exercising leadership and working to convince his counterparts of the value of the proposals over a Summit process that, by stretching out for a year, is both exceedingly long and visible by international standards.

Although at its core a leaders' forum, the Finance ministers and Central bankers have played a central role. Other mainline ministers have also become involved in advancing decisions, with meetings of ministers concerned to advance employment, security, and environment ministers, and, on occasion, foreign ministers have gathered as well. Two tracks define the central ministers—the Finance Track including ministers and deputy ministers, and then the leaders' personal representatives, the so-called Sherpa Track, responsible in particular for agenda setting for the leaders' gatherings (Cooper 2019b).

India appointed a corporate (NITI Aayog) CEO, Amitabh Kant, as India's Sherpa for the G20. In comparison, Brazil is well-resourced with both a high quality and high quantity stock of personnel. Notably, Ambassador Mauricio Lyrio, Secre-

tary of Economic and Financial Affairs at Itamaraty (Brazilian Ministry of Foreign Affairs), whose extensive experience includes being Chief of Staff of the Minister of Foreign Affairs (2016-2017), and Secretary of Diplomatic Planning (2013-2016), has taken the role of G20 Sherpa.

If Brazil enjoys some considerable strengths at the State level, any edge at the societal level is more complicated. Brazil—with the chosen site of Rio de Janeiro—could also build on the grounding (although contested) experience with recent mega-events, as witnessed by the Olympic Games in 2016 and the World Cup FIFA final in 2014. At a basic level, therefore, there is no need to tie the hosting function into the equivalent of the Narendra Modi government’s longer-term objective of projecting the image of a “New India” via the Central Vista redevelopment project in New Delhi.

That said, this strength could be transformed into weaknesses. A primary potential domestic test in terms of logistics and site will, in all likelihood, come in terms of demonstrations vis-à-vis the holding of the G20 in Brazil. Neither the Indonesian nor the Indian G20 is associated with significant demonstrations. However, Brazil is unlikely to be so positioned that it can disregard this component of the hosting function. After all, Brazil is long associated with massive demonstrations at mega-events, as witnessed by the street protests around the 2016 Olympics. What is more, a scenario along these lines is accented by the climate of polarization in Brazil, as punctuated by the protests around the election victory by Lula and, for that matter, by protests around police operations.

Per se, it is indicative of the high stakes that the theme of at least attempting to insulate the Rio G20 is already front and center. Here, the experience of India is valuable in that the Modi government went to great lengths to decentralize the G20’s activities. Akin to India, then, Lula has already said that Brazil will take G20 meetings to “many Brazilian cities” in an effort to “democratize” the G20 and make it popular amongst civil society. Nor will this approach be all about style, with

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a deep appreciation that there needs to be a link between the G20 and everyday lives. As Lula commented, when asked by *The Hindu* about how much Brazil had budgeted for the G20 Summit and how it compared to India, it did not matter how much money was “spent” but whether it was “invested” for the betterment of the country (Haidar 2023).

SHIFTING TO THE PRIMARY IDENTITY TEST

Beyond logistical and site concerns, it needs emphasis; the primary tests that jump out relate to Brazil’s identity in the world. The domestic tests, while significant in shaping the global attitudes concerning Brazil, will not impact the instrumental outcome of the Summit process. Reference to Brazil’s identity signifies a return to the question about the meaning of the G20 for Brazil. Hosting a Summit process of this type—that is to say, an institution constructed without the cushion of legitimacy attached to formal IOs—conveys a message of Brazil’s equality of peer status vis-à-vis the other structurally important members in the G20. However, in playing up this (insider) side of Brazil’s identity (Cooper & Stolte 2019), the other side of Brazil’s (outsider) identity that privileges solidarity with the Global South and the privileging of aspirational multilateralism through the UN is potentially compromised.

Despite the pattern of engagement, sentiments of ambivalence toward the G20 lingered. Expressing this feeling of distrust and grievance towards the established powers, Brazilian Foreign Minister Celso Amorim stated in a *New York Times* article in 2010: “[...] the traditional centers of power will not share gladly their privileged status” (Amorim 2010). Against this background, a push towards forming an alternative exclusive club granted Brazil—and the rest of the BRICS countries—the opportunity to balance insider status and the retention of grievances outsiders to the established powers, which had excluded and disregarded them for so long.

On the face of it, the decision of Brazil to push hosting the BRICS to 2025 demonstrates the higher standing accorded to the G20. In terms of policy, this approach allowed a preference to put global equality on the G20 agenda. As Lula put it: “It’s a lot of responsibility for Brazil to host the G20 Summit next year. Everybody knows that we’ll chair the G20, and we will put the inequality issue as the core issue for the next G20 process for discussion” (NDTV 2023). However, this preferential treatment also allows Brazil (and Lula) to hold a backup plan if the G20 fails to present an ambitious delivery on inequality. The same duality holds in terms of Lula’s ambition for bio-fuels. Notably, the partners given the most attention to this initiative were cross-cutting, with Brazil working with India and the U.S. via the Global Biofuel Alliance.

Set in this fashion, the G20 has a privileged status more equivalent to the South Korean position than that adopted by China. As Lula's chief foreign policy advisor suggests, although there is a need for some adaptation: "I think the G20 is the closest thing to a representative body in the international community" (Xie & Bai 2023). This choice of organizational privileging also reflects Lula's ambivalence about the projection of the BRICS. While Lula moved to become the public face of the BRICS in the early stages of creation, signs appeared that he was pessimistic about the forum's progress. As he articulated in one 2018 interview: "BRICS was not created to be an instrument of defense, but to be an instrument of attack. So we could create our own currency to become independent from the U.S. dollar in our trade relations; to create a development bank, which we did—but it is still too timid—to create something strong capable of helping the development of the poorest parts of the world" (Escobar 2019).

Brazil's wary response regarding the enthusiasm of China to widen, not deepen, BRICS accentuated such thinking. As media stories before the South African hosted Summit in August 2023 recounted, Brazil remained cautious on this type of initiative, albeit this sentiment was expressed anonymously: "Brazil's position has been concerned with the cohesion of the group and preservation of our space in a group of important countries" (Paraguassu 2023. See also Stuenkel 2023). Such sensitivity to the implications of the expansion of BRICS was reinforced, it must be added, by the case of Argentina's entry to BRICS. While Lula was highly supportive of Argentina's specific claims of membership with the government of Alberto Fernández in power, as well as the candidacy of Sergio Massa in the 2023 presidential election, the unanticipated victory of the far-right or radical libertarian, Javier Milei, upended this calculation.

TURNING (FINALLY) TO THE INTENSIFYING GEOPOLITICAL SITUATION

Looking back at the response to the intensifying geopolitical situation, what stands out about both the Indonesian and Indian Presidencies is a risk-averse (deflection) mode of hosting that threatened to disrupt the image of a successful Summit. The impact of the relationship between the G20 and the Russian invasion of Ukraine—and, for that matter, the relationship of China to the U.S. and its allies in the G7—opened possibilities of fracturing and immobilization of a very different magnitude.

With some impressive diplomatic ability, Indonesia, as host of the 2022 Bali Summit, was able to manage the relationship of the G20 to the Russian invasion by

carefully crafting its outcome documentation. The G20, in its Leaders' Declaration, depicted the "aggression by the Russian Federation against Ukraine" in comprehensive terms not just as "causing immense human suffering" but "exacerbating existing fragilities in the global economy." Nonetheless, regarding projected visibility through the Summit proceedings, the war was downplayed. Instead, Indonesia was given ample space to play up the themes of its Presidency—"Recover Together, Recover Stronger"—with a push to accelerate achievements of the Sustainable Development Goals (SDGs) as a general goal and the establishment of a new Financial Intermediary Fund for Pandemic Prevention, Preparedness, and Response (FIF-PPR) in particular (G20 Indonesia 2022). Indonesia did not want the war to define the Bali Summit and largely succeeded in that goal.

India had a much harder time replicating Indonesia's approach. Akin to Indonesia, India's desire was designed to keep attention away from Russia-Ukraine by focusing on India's agenda, with a reliance on support from the Global South for the success of this strategy. As such, the Indian Sherpa emphasized throughout the process that the conflict is external to the G20 and its mandate.

Complicating the situation further, a reference to geopolitical tensions is not complete without returning to the second strand: the relationship of China to the India-hosted G20. In Bali, there was some distance between Russia and China. A good deal of the engagement of Chinese leader President Xi Jinping with the G20 concentrated on supporting global governance initiatives. Crucially, the highlight of Xi's meeting with North American President Biden was the announcement of the resumption of their bilateral cooperation on global climate change mitigation efforts. While in a much stronger diplomatic position, China could only build on these advantages by distancing itself from Russia and the war. Not only did Xi join Biden in condemning any consideration of the use of nuclear weapons in the Russia/Ukraine conflict, but he confirmed the message in his meeting with French President Emmanuel Macron.

Forging consensus on the geopolitical tensions in New Delhi took on a far more onerous orientation, in part at least because of the polarization of attitudes about the war not only between the West and Russia but with a spillover effect to China. At the March 2023 foreign ministers meeting, China joined Russia in refusing to sign the joint statement that criticized Moscow's invasion, leaving India to issue a "chair's summary and outcome document" summarizing the two-day meeting and acknowledging disagreements (Mogul & Sud 2023).

What allowed India's deflection approach to work was the absence of not only Putin but Xi in an unanticipated (and last-minute) fashion. Ultimately, after

protracted negotiations, the G20 members, in effect, issued a leaders' declaration that masked disagreements behind a statement that played down the G20's role as a "platform to resolve geopolitical and security issues" while playing up concerns about "the threat or use of force to seek territorial acquisition against the territorial integrity and sovereignty or political independence of any State [and the inadmissible] use or threat of use of nuclear weapons" (G20 India 2023).

Initially, it appeared that Brazil wanted to make an explicit break with the risk-averse deflection approach. This turn was most dramatically connoted in early September 2023 around the New Delhi G20, when Lula—who had already, during a European trip, tried to insert himself as a peacemaker between Russia and Ukraine—said the Russian President would be welcome to attend the November 2024 event: "What I can tell you is that, if I'm Brazil's President, and if he comes to Brazil, there's no reason he'll be arrested" (Phillips 2023).

Since then, this stance has been toned down, if not completely reversed. Nuancing the bold comments Lula made earlier about Putin being able to visit Brazil, despite Brazil being a signatory to the Rome Statute that empowers the International Criminal Court, Lula offloaded responsibility "to the Brazilian Judiciary" to decide whether to execute the ICC warrant against Putin for alleged war crimes in Ukraine. That said, Lula opened up the issue in the broadest possible fashion by pointing to the fact that as Russia, China, and India are all not signatories to the Rome Statute and as the U.S. rescinded its accession to the ICC, Brazil must review its decision to accede as well (Verma 2023. See also Brazil 2023b).

THE CHOICE OF HIGH/LOW-RISK APPROACH

Regarding the hosting function, Brazil holds some components of superiority over its peer equivalents in the Global South, especially in terms of personal leadership. President Lula da Silva enjoys being in the spotlight that comes with global summitry. Concomitantly, Lula, his advisors, and the bureaucracy all deeply appreciate the benefits of the Summit process in terms of an amplified profile in world politics and specific agenda items.

To signal these advantages is not at the same time to suggest that Brazil does not have imposed limitations. One relates to the duality of Brazil's embrace of both an insider and outsider role. As viewed by Lula's high-profile role at BRICS Summits (Stuenkel 2015; Cooper 2016), it is as the champion of the Global South where Lula is most comfortable. There will have to be care, therefore, that hosting the G20 does not reveal confusion or even distraction between these different forms of leadership.

High risks attached to Brazil's hosting will be accentuated if the ambition goes too far. The opportunity for Brazil is to accent the G20's role as a focal point (Cooper 2019a). In other words, to make sure that the countries of the G20 (and their leaders) privilege the institution. The breadth of (good) relations that Brazil and Lula enjoy across membership facilitates this goal, especially in the case of China and Xi, in contradistinction with the New Delhi Summit, where the souring of the China-India relationship compromised the focal point orientation. What will jeopardize the focal point role will be pushing too hard on controversial or simply too difficult issues. One of these relates to the (physical) presence of Putin. Despite all the controversy around this issue, Lula adopted a sanguine air: "I'm hoping that, when we open the G20 in Brazil, the war will have ended and everything will have gone back to normal... That's what I want. So there's still a year to go. Not a year: there are a year and two months to go, because Brazil will only truly assume the Presidency from November onwards" (Brazil 2023b).

Internally, the image of the Rio G20 as a high or low-risk event will be reflected by the response of the domestic public. Tying the Presidency with claims to a deserved elevated status in the global hierarchical pecking order is one thing. It is another thing to link the G20 to achievements on the ground.

Another risk relates to the conflation between the role of the G20 and IO aspirational status, especially concerning the UNSC reform. The move to include the African Union as a full member of the G20 was given considerable emphasis by Lula. However, to conflate G20 reform with IO reform puts hope over experience, notwithstanding Lula's enthusiasm (Brazil 2023b):

The World Bank needs, you know, a change—that is, developing countries must be able to run the bank. We have tried to propose changes to the IMF since our first meeting, but changes have been extremely small and do not advance. We will also want to discuss our permanent membership in the UN Security Council—that it is necessary to change the geography that is established there, dating back to 1945, and replace it with a geography of 2024, which is the year the discussion will take place in Brazil.

Internally, the image of the Rio G20 as a high or low-risk event will be reflected by the response of the domestic public. Tying the Presidency with claims

to a deserved elevated status in the global hierarchical pecking order is one thing. It is another thing to link the G20 to achievements on the ground. Or, as Lula put it at his press conference around Brazil's Presidency, "[t]o try to make the G20 popular" (Brazil 2023b). There are no signs of ambivalence in engaging with the hosting function. On the contrary, Brazil has gone big: playing up the role of host in advocacy of domestic priorities via the G20. Even if holding the Summit in Rio holds some comparative risks, these logistical issues are unlikely to be severe enough to cause significant reputational damage.

Externally, as with Indonesia and India, the shadow over the Rio G20 Summit will be the complicated background of geopolitical tensions. With the lessons of both of these Summits in mind, adopting a risk-averse style offers some promise of safety. As Lula opined at the end of the New Delhi Summit: "We cannot allow geopolitical issues to hijack G20 bodies' discussion agendas. A divided G20 does not interest us. We can only tackle present-day challenges through joint action" (Brazil 2023a).

The question, however, is whether, under the immense expectations and pressure of the G20 Presidency, Brazil and Lula will have the will, autonomous skill, and ability to maintain this approach. The only certainty is that the choice will be made under conditions that justify the interpretation of the G20 Summit as a high-stakes, high-drama event, with Brazil and Lula center stage. 🇧🇷

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Think Tanks, Solutions-Brokers in a New Multipolar Order?

Tetsushi Sonobe

Nicolas J. A. Buchoud

Abstract: The challenge for the G20, given the multitude of issues and diverse interests, is to demonstrate collective leadership on key global economic issues and restore growth and employment. Touted as the “ideas bank” of the G20, the Think20 is entering a new decade with a sense of serving the general interest and a shared need to adapt to changing global governance conditions. Think tanks worldwide can be critical in bridging government and non-state actors, including civil society and scientific groups, across a growingly complex multipolar order needing trusted and accountable multilateral agreements and institutions.

Keywords: G20; Think20; Brazil; India; G20 Sherpas.

THE WORLD IS UPSIDE DOWN

In the fall of 2023, as India hands over the G20 Presidency to Brazil, the forecasts from international financial institutions warn of increased trade fragmentation and the resulting slowdown of economic growth across all regions. This comes as two wars in Ukraine and in Gaza broke out in barely twenty-four months, which could not be prevented by the United Nations (UN), caused hundreds of thousands of casualties and the diversion of huge amounts of funding away from sustainable development and climate finance to ammunition. After the UN Summit on the 2030 Agenda acknowledged that more than 80% of the goals are not on track, on the sides of the General Assembly in New York last September, tension also prevailed in the preparation of the climate COP28 in Dubai, as fossil fuel subsidies have reached record high levels, despite their well-assessed, cumulative detrimental environmental impacts. Even the exemplary “just energy transition partnership” that Indonesia successfully negotiated with the G20 in 2022 faces unexpected delays. In other words, the world really looks “upside down,” and current fragmentations could turn into enduring fractures, also weakening any common ability to shape a new generation of inclusive and sustainable policy frameworks (Chinoy 2023).

Note, however, that we have recently seen positive changes. One of the major examples is the G20 Leaders’ declaration adopted at their Summit in Delhi in September after an epic round of final talks. The G20 India also repositioned the 2030 Agenda as centerpiece complemented by a “green development pact” and endorsed the membership of the African Union in what is often described as a historic move towards the Global South. After weeks of uncertainties and the absence of the President of China at the G20 Delhi Summit, the U.S. Secretary of Treasury, J. Yellen, called upon both China and the U.S. to avoid the so-called “decoupling” and instead support global trade, ahead of the Asia Pacific Economic Cooperation (APEC) Leaders’ Meeting in San Francisco. Back in 2022, the row of convenings of the Association of Southeast Asian Nations (ASEAN) Summit in Phnom Penh, the G20 Summit in Bali, and the APEC Summit in Bangkok illustrated convincingly the virtue of expanding dialogue amid crisis. Now, in the context of the COP28, Pres-

Tetsushi Sonobe is Dean and CEO of the Asian Development Bank Institute (ADBI) in Tokyo. He was the lead-chair of the T7 during the G7 Japan, a member of the T20 India International Advisory Board, and co-chair on the taskforce on multilateralism.

Nicolas J. A. Buchoud is a Senior Advisor to the dean of the Asian Development Bank Institute (ADBI) and for the T7 Japan, and the co-chair of the T20 India taskforce on LiFE, Ethics and Values. He is a fellow of the Global Solutions Initiative in Berlin.

idents Biden and Xi promised to work to avoid the U.S.-China conflict and to triple global renewable energy capacity by 2030, as agreed by the G20. Both countries' climate special envoys even announced an agreement to “accelerate the substitution for coal, oil and gas generation,” and initiated a joint working group on “energy transition, circular economy, resources efficiency, low emission cities and deforestation (Le Monde/AFP 2023).”

Most readers of the present paper would agree that expanded dialogue among global leaders helps build globally and mutually beneficial international relations and political and economic systems. Based on history and its authors' first-hand experiences, the present paper argues that think tanks from across the world can play a critical role to bridge government and non-state actors, including civil society and scientists' groups, across a growingly complex multipolar order in need of trusted and accountable multilateral agreements and institutions. Think tanks' responsibility is even higher as the Africa Union has become a new, full member of the G20.

Think tanks from across the world can play a critical role to bridge government and non-state actors, including civil society and scientists' groups, across a growingly complex multipolar order in need of trusted and accountable multilateral agreements and institutions.

EXPANDING DIALOGUE IS THE G20'S DNA

The creation of the G20 in the late 1990s as a forum of Finance Ministers of major economic powers was meant to address the impacts of several world economic crises including the Asian financial crisis. Then, the G20 was upgraded into a leaders' forum to tackle the global financial crisis of 2007-2008, and its reach has expanded through annual cycles of dozens of ministerial convenings and as many meetings of civil society engagement groups, including think tanks. The very notion of “expanding dialogue” is part of the DNA of the G20 and, as challenges proliferated and became diverse and complex, this philosophy became more important.

Diversity and complexity increased naturally as climate change, biodiversity, cyber security, and various social issues became important and included in the 2030 Agenda. Global leaders and their governments expanded their dialogues with each other to deal with these issues at G20 meetings and created new forums of discussions. For example, recent multilateral achievements such as the Kun-

ming Montreal Global Biodiversity Framework, the UN High Seas Treaty, the initiation of a treaty addressing the issue of plastics in the oceans, show that global alignment on shared priorities remains possible, bearing huge benefits including for peace. As a more recent example, the G20 provided the ground for a reform of multilateral development banks (MDBs) to tackle climate and sustainable finance gaps. The independent experts' report pointing to concrete reform proposals was incubated within the G20 and nurtured by consultative processes with international and regional financial institutions and think tanks.

G7-BRICS RIVALRY WITHIN G20

Thus, by expanding dialogues, global leaders and the governments of the world's major economies have relatively successfully responded to the increased diversity and complexity in climate, social, public health, and environmental agenda. The same approach is less favorably functioning when it comes to issues of international politics or geopolitical conflicts. As just mentioned above, the G20 was created to cope with financial or economic crises. Even in the 2010s, it tried to focus on economic issues to function well. Gradually, however, major economic issues happened to have a greater geopolitical impact, as the five countries constituting BRICS emerged not only economically but also politically on the global stage, and the tension between China and the U.S. began mounting regarding trade, technology, and infrastructure investments.

At their spring meeting in April 2023 in Washington D.C., the International Monetary Fund and the World Bank warned that the G7 and BRICS could hamper global growth if they favored competition over cooperation in areas such as inflation and debt, climate finance, just energy, agriculture transition, and sustainable infrastructure investments. The rivalry may be aggravated by the expansion of the BRICS group announced in South Africa in August 2023. The temptation to weaponize reserve currencies, associated to the lack of multilateral agreement on international financial institutions reform poises increased national and regional security risks. The rivalry may not only hamper global trade and supply chains and cause a "lost decade of growth" (World Bank), but also desynchronize decision-making by the leaders of major countries and hence reduce their collective ability to cope with global challenges and safeguard regional stability.

If global leaders and their governments alone cannot reduce tension between countries or between groups of countries by their efforts to expand dialogues, what should be done and who should do it? We think that the so-called public-policy think tanks are close to the governments and leaders compared with other

groups, and that such think tanks, especially the think tank Engagement Group of G20 called Think20 (or T20), should try to play the role in supplementing the necessary expansion of dialogue(s) on behalf of the governments and leaders, and that they should leverage their strengths, such as their convening power, out-of-box thinking, and networks with scientists and civil societies. But the important question here is not whether they should but whether they can act likewise. In the following, we will consider how think tanks can help concretely expand dialogue, based on some historical anecdotes and experiences.

LEARNING FROM THE DEVELOPMENT OF THE THINK20

At first, the two authors should begin by introducing themselves briefly, especially their experience with Think20, before talking about the history and experience of Think20. They are affiliated with the Asian Development Bank Institute (ADBI), which was established as a multilateral regional think tank around the time of the Asian Financial Crisis, when the forum of the financial ministers of the G20 members was also created. ADBI was given the mission of helping government agencies and organizations engaged in development work in Asia and the Pacific through research of development strategies and capacity building and training. In other words, the series of economic crises including the Asian Financial Crisis led to both the expansion of dialogues among the governments and the establishment of a multilateral regional think tank in a region with few strong think tanks working on public policies. ADBI served as a lead co-chair of Think20 in 2019 and the single chair of the G7 counterpart of Think20 called Think7 in 2023. In spring 2023, ADBI released a book investigating the results of a decade of the Think20 since its creation in 2012 in the aftermath of the subprime crisis in the U.S. which grew into a global economic crisis. The book was launched at a global town-hall meeting of the Think20 in Delhi at the historic Nehru Library (Sonobe, Buchoud et al. 2023).

Touted as the “ideas bank” of the G20, the Think20 is entering into a new decade of its existence with a sense of serving the general interest and a shared need to adapt to changing global governance conditions. Like the G20, the Think20 exercises chair rotation, a system in which chairmanship together with Secretariat rotates among the G20 member States every year in the same order as the G20 Presidency. The vision and design of each year’s Think20 process is left to the chair or lead co-chairs of the year. Unlike the G20, the Think20 is open to all countries; that is, it accepts spontaneous participation from any country in the world, even though the extent to which the chair or co-chairs together with the Secretariat emphasize such openness or inclusiveness may vary from year to year. Thus, unlike global con-

sultancy firms, the Think20 is a space of multilateral, open, and transparent public deliberation and it has gathered a growing interest over the years. More than 1,400 policy briefs proposals have been submitted to the Think20 India in 2023.

Since its creation in the early 2010s, the Think20 has had increasingly active participation of think tanks from emerging countries. This evolution is in part due to the current Presidencies of Indonesia (2022), India (2023), Brazil (2024) and South Africa (2025) of the G20. It is also a legacy from the Think20's uninterrupted decade enriched by occasional innovations in organizational design, such as the gradually consolidated system of task forces, selection of topics for discussions, calls for policy briefs, the selection and publication of policy briefs, and the production of final communiqués. The formation of the Global Solutions Initiative in Berlin during Germany's G20 Presidency in 2017 was accompanied by the creation of an annual Summit open to subsequent Think20 Presidencies. This regular rendezvous amid changing chairmanship has been a positive factor of accelerating knowledge transfers and sharpening know-how and capacity building from one G20 to another, despite multiple disruptions in the world global order. Such gradual consolidation and evolution of the Think20 is an asset for think tanks and governments in times of high uncertainty and it also explains why major foundations are keen to provide some support even beyond the G20.

The establishment of the Think20 as a formal Engagement Group of the G20 was driven by the demand for additional discussions among think tanks across national borders added to the discussions among the governments and leaders in the midst or aftermath of regional or global crisis. In the same vein, the Think7 became a formal Engagement Group of the G7 when the proposal by the G7 German Presidency was accepted by the other G7 members toward the end of 2021, amid the food and energy insecurity and the interest rate hikes due to tightened monetary policy by those rich countries that began recovery from the COVID-19 pandemic earlier than other countries. Other global forums of global policy dialogues began as the world entered the multi-crises era. For instance, the Italian Institute for International Political Studies (ISPI) has initiated Global Policy Forums to explore “the prospects for peace and cooperation;” annual Global Dialogues were initiated by Centre for Strategic and International Studies (CSIS) in Indonesia “to discuss emerging global issues and their solutions;” spin-offs of the Raisina Dialogues led by the Observer Research Foundation (ORF) in India were held during the Think20 India in Africa, America or the Middle East. These are only some illustrations of a strong demand for cross-sectoral, cross-regional, and regularly held cross-cutting dialogues.

Given the background of their establishment, the Think20 and other global and regular think tanks forums discussing global issues should not shy away from the

multiple challenges that lie ahead. Think tanks need to continue improving the quality and accuracy of their policy recommendations. The Think20 needs to further consolidate its structure, to stay open to newcomers, to avoid becoming an elite club while affirming its status at the crossroads of all geopolitical spheres. In short, as we need to expand dialogue among think tanks, the question is how, in which direction and what the Think20 can do. Gaining new capabilities to provide additional channels of communication to mitigate tension within the G20, overcoming the current difficulty in discussing geopolitical issues in a constructive manner, forging new abilities to address the current limitations of key multilateral agendas, maximizing the regional and global benefits from the African Union becoming a new member of the forum, are among the priorities we try to address in the following.

HOW CAN THINK TANKS FORUMS CONTRIBUTE TO SOLVE SYSTEMIC CHALLENGES

The anteroom of the COP28 has seen a spike of think tanks activities, most of them involving think tanks active in the Think20 (and Think7). In just a few weeks, meetings, seminars, and summits have taken place in Asia, Africa, the Middle East, South America etc. Think tanks are certainly enriching the discussions whereas the world's pulse is accelerating. Their convenings exert synergy and multiplier effects, by responding to rising “bridging” needs and by developing new analytic and convening capabilities. Even beyond the present moment, think tanks are compelled to work across immediate and longer-term challenges, across different domains such as foreign affairs, macroeconomic policies, multilateral climate, sustainability agendas, across socioeconomic issues such as inequalities, gender equality, the future of work, or by creating trailblazing science to policy interface, geoscience, and global institutions reforms and across different geographies. We view think tanks as an expression of an active, innovative, interconnected civil society that thrives beyond mounting barriers and divides. Their reliability in the long run, their ability to create new spaces of trusted cooperation will be a key measure of their added value in the coming months, especially in Africa.

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ation will be a key measure of their added value in the coming months, especially in Africa. This was well-assessed by the high and diverse attendance of the 9th African Think Tanks Summit in Zambia early November 2023, and the interest shown in the preparation of another continental gathering by the African Union Development Agency (AUDA-NEPAD) in Ethiopia mid-January 2024, not to mention the organization of the handover of the Think20 India to the Think20 Brazil in Cape Town in South Africa mid-November.

The Think20 will become more impactful if the existing and new participants, including chairs or co-chairs and Secretariats, do not forget one important principle that has sustained the Think20 even though it is not an established institution. While the Think20 has been gradually consolidated by a system of task forces, it remains largely a matter of voluntary commitment and affiliations. Trust has become a key component for think tanks to cooperate from one G20/G7 cycle to the other, while only a few initiatives have been taken to consolidate the work of think tanks globally, such as the G20 Research Group at the Trinity College of the University of Toronto, also home of the G7 Research Group. The most remarkable initiative has taken the form of the ambitious Think Tanks and Civil Societies Program (TTCSP) initiated by the late James McGann at the University of Pennsylvania, an attempt to consolidate a mapping and a ranking of think tanks even beyond the G20.

Now, the global think tanks community needs to build on the trust created over the years in the context of the Think20 (and lately by bridging the Think20 and Think7) to come up with a plan, as the next two years will be pivotal. In 2025, the G20 will be chaired by an African country for the first time in its nearly thirty-year long history, notwithstanding the new membership of the African Union. That same year, Brazil will be chairing the COP30, along with the BRICS+ group and it intends to organize a World Social Forum, all such rendezvous coming up immediately after the G20 Brazil Presidency and the UN Future Summit of 2024. Besides, multilateral negotiations regarding the review of the 2015 Addis Ababa “Action Plan” for development finance have started.¹

Cooperation among think tanks can be supplemented by solution-solving and policy making expertise coming from exchanges with science groups, youth groups, and other groups from the civil society, and provided different perspectives can be accommodated. Designated “youth” or “women” groups are quite keen to activate renewed policy solutions and push for creative thinking. During the G7 Japan, the

1. In 2025, Brazil will host Climate COP30, which should include a new, post 2025 collective finance goal, and this will mark the 10th anniversary of the Paris Agreement. Similarly, it is likely that the 4th International Conference on Financing for Development or Addis Ababa+10 will be organized, hosted by Spain (Avaaz 2023).

Think7 interacted with other Engagement Groups, such as the civil society, women, youth, and science groups in various occasions, such as their Summits, joint press conferences at the foreign correspondents' club and the G7 Hiroshima Summit, and the G7 digital and tech ministers' meeting. The same happened in the context of the G20 India and we welcome that the leading think tanks of the Think20 Brazil have decided to move forward with such an agenda.

For think tanks to be credible and effective solutions-brokers in a new multipolar order, cross-sectoral, cross-border cooperation is even more indispensable as we are collectively confronted with cognitive challenges and compelled to create policy and investment frameworks that can account for “meta” transformations of our livelihoods and habitats. Consequently, think tanks should improve their cooperation with networked scientific organizations, especially multidisciplinary research labs from universities, international institutions such as the UN University, and from the private sector. As part of the Think7 Japan Communiqué, we have thus highlighted the role of large-scale research infrastructure to provide quality datasets and to create new ways for the academia to interact with policymaking.

By joining forces across the G7 and G20, think tanks have realized that the impacts of the G7 and G20's respective decisions are often difficult to assess, particularly when new priorities impact existing agendas. Such a deficit of accountability is no longer an option, and we have proposed to invest in the prototype of a G7/G20 open-source dashboard, aiming to facilitate the development of policies under rotating G7 and G20 Presidencies and improve their continuity. Both the G20 and G7 should more proactively lead the promotion of public research and development that favor evidence-based, science-based policies and help realize new measurements of economic, social, and environmental prosperity.

Because the current state of global affairs is not just about the addition of “crises” but about managing fragile balances, cooperation among think tanks and

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with other State and non-government players is essential to act on structures and systems, to address the root causes of problems, instead of limiting ourselves to describe the symptoms of the crises.

PROMOTING GLOBAL ENGAGEMENT AND THE EXAMPLE OF THE THINK ASIA PLATFORM

The global think tank community empowered by regular and interconnected forums may be able to further contribute to expanded dialogue by encouraging countries that have not yet actively engaged in existing dialogues to participate. Such countries may be classified in two categories.

One is the category of superpowers, namely, the United States and China. Since both countries can make the world colder—as in a new version of the Cold War—the global think tank community wants them and their think tanks, such as the Center for China and Globalization (CCG), which organized in November its 8th international Summit, to come back to expanded dialogues. But this is difficult because the U.S. and China’s large global economies can produce anything that they want to consume to make them less economically dependent on other countries, even though there is a possibility of success because they need political and military allies.

The other category is that of smaller countries, which are more dependent on foreign trade and investment, and on political and military allies. For the global think tank community, drawing the participation of these countries and their think tanks into expanded dialogues will be a low-hanging fruit. Their greater participation will empower the global think tank community. If these smaller countries, together with emerging-market-economy and advanced-economy middle-powers, can transform themselves into a group of smart swing States, it may contribute to drawing the superpowers into the expanded dialogue.

In smaller and or lower- and middle-income countries in general, think tanks focusing on public policy tend to be few and lack adequate capabilities, which seems a major reason why their participation in the global arena has been limited, if not missing. Among such countries, we view small island States, such as the Pacific islands States, as critical. Developing new think tanks capabilities both locally, in given countries and through regional or global networks, such as the newly created Archipelagic and Island States (AIS) Forum, would ensure that participation in problem-solving would value more accurately diverse sources of knowledge.

To help such think tanks in Asia and the Pacific, ADBI has recently initiated the digital platform *Think Asia*, which should be accessible through an app on a smartphone and other devices. In the past, small think tanks in small countries could not attract many viewers if they held a webinar, because only a small number of people saw their homepages and social networking services. The *Think Asia* platform will provide users with a consolidated event calendar on which all registered think tanks can put their events. In the future, it will also provide the titles and abstracts of and links to working or discussion papers and books of all registered think tanks, enhancing dialogue and interconnection possibilities. Of course, this digital platform can be accessed by users outside the region. If the number of users outside the Asia-Pacific region increase, especially from Africa, the platform may be renamed *Think Global*. This is just a small example, but assisting small think tanks in small countries is a major step toward truly expanded dialogues.

THE “BELLAGIO FORMAT” AND THE AFFIRMATION OF THE GLOBAL SOUTH

Expanding the space for dialogue is timely and relevant but more think tanks meetings across the globe do not account for more coordination and interoperability and problem-solving. To structure the expansion of dialogue across the G20 (and the G7) and to create additional channels of communication among experts and governments, we have initiated in 2022-2023 the “Bellagio format” of convenings, gathering current, past and upcoming Think20 and Think7 lead think-tanks, alongside G20 and G7 Sherpas and representatives of the respective finance tracks, together with the Rockefeller Foundation (RF 2023). The potential of such dialogue in the Think7 Japan Communiqué was handed over to the Prime Minister of Japan ahead of the G7 leaders’ Summit in Hiroshima and at the Think20 Summit in Mysuru in India during a discussion with the Minister of Foreign Affairs of India. We have also organized a day of convenings in New York in September 2023 on the sides of the UN General Assembly and UN SDGs Summit on the theme *Reigniting the 2030 Agenda: from Dialogue into Action*, together with pan-African think tanks networks, development finance institutions, foundations, and others.

As the world is exposed to both immediate and long-term threats, we need new proposals for progress, which can come from bridging the G7 and G20, alongside a greater recognition of the role of civil society.

As the world is exposed to both immediate and long-term threats, we need new proposals for progress, which can come from bridging the G7 and G20, alongside a greater recognition of the role of civil society. Since the Think20 was first created in the aftermath of the subprime crisis in the United States, think tanks from emerging countries have become more active and well structured nationally, regionally, and globally. This evolution is in part a legacy from an uninterrupted decade of the Think20, enriched by occasional policy innovations. Such gradual consolidation and evolution of the Think20 is an asset for think tanks and governments in times of high uncertainty and it also explains why major foundations are keen to provide some support.

Both G20 and G7 countries' high innovation and scientific capabilities should be mobilized to support evidence-based policymaking and develop a new generation of holistic social and human science programs connected to inclusive and greener monetary and investment policies. The “Bellagio Format” approach of bridging the G20 and G7 could therefore be expanded to other forums such as the BRICS and now the BRICS+, using think tanks as drivers and guarantors of quality dialogue. In such a perspective, the G20 Brazil is even more important as it is the first G20 cycle including the African Union and its institutions fully, ahead of the South African G20 Presidency. This is a historic turn that think tanks need to grasp.

The recent gains in mutual learning will be key to maximize the local, regional, and global benefits of the ratification of the African Continental Free Trade Agreement (AfCFTA) and the convergence between the 2030 Agenda and the African 2063 Agenda. New initiatives such as the Global Alliance for Life Economy Research and Innovation (GALERI) started in the context of the T20 India, or the Global South research platform launched at the second Global South Voices Summit a few days ahead of the closing G20 India virtual leaders' Summit, could also help address complex issues of systems transformation and the economy. Other approaches, such as the “lab” project of the German Cooperation Agency targeting inequalities and global governance, could be complementary. Finally, renewing mutual understanding is also essential for growth and infrastructure investment initiatives to support just transitions across existing bilateral and multilateral frameworks such as the Belt and Road Initiative (BRI) led by China or the Partnership for Global Infrastructure Investments (PGII), initiated in the G7 and recently expanded across the Indo-Pacific, the Middle East, and Europe at the G20 Summit of Delhi (UNSDG 2023). New possibilities arise to study the long-term socio-economic impacts of different frameworks, including China's Global Development Initiative (GDI), in view of their respective abilities to leverage public and private funding for climate and development finance at scale.

NEW PERSPECTIVES FOR SUSTAINABLE DEVELOPMENT AND CLIMATE TALKS

In support of expanded dialogue capabilities in the G20 amid needs for new knowledge—and skills—to nurture major multilateral convenings, we view the consolidation of think tanks cooperation as a priority. Such cooperation could focus on six priorities: 1) debt, climate-energy, and social justice; 2) agriculture, food, and ecosystems; 3) health, prosperity and well-being; 4) gender equality and growth; 5) financing the SDGs Stimulus plan proposed by the UN Secretary General; and 6) Africa and the convergence between the plan Africa 2063, the implementation of the Africa Continental Free Trade Agreement (AfCFTA) and the G20.

Based on these six priorities, we would like to share some final thoughts about leveraging a multiplier effect from think tanks to reignite the 2030 Agenda and reinforce the impact of global climate talks.

The current deficit of more than US\$ 3 trillion of financing annually of the 2030 Agenda cannot be solved through existing bilateral and even multilateral cooperation mechanisms. In the past two years, a growing momentum has emerged in the Think20 and the Think7, and across them, to address the issue. The main countries providing development assistance, especially in Africa and many of the most vulnerable countries, happen to be also the very ones who brought a large part to Ukraine since the beginning of the conflict with Russia in 2022, including by diverging official development assistance (ODA) resources. Yet, that only accounts for a fraction of the 2030 Agenda's deeper and more ancient problems.

The 2030 Agenda suffers both from financing gaps and from the siloed architecture of the Sustainable Development Goals (SDGs) itself. The future of sustainable development depends on addressing the debt crisis not only “in” the Global South but also “with” it, which supposes a better coordination of monetary and macroeconomic policies, and many think tanks are well positioned to provide relevant recommendations. The proposals

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of the G20 Development Working Group in June 2023 and the ensuing “Varanasi Principles” have opened a new space for think tanks. It looks even more promising and realistic as more exchanges between the Think20 and the G20 Development Working Group should take place during the G20 Brazil, which has put forward the cooperation with the Global South as well as addressing poverty and inequality across and within countries among its overarching priorities. In parallel, the G7/T7 Japan have also emphasized cooperation with the Global South, which is also a priority of the upcoming G7/T7 Italy (Chinoy & Sonobe 2023).

Another illustration of the innovation potential of Track Two Diplomacy through expanded think tanks dialogue emerged this year as the United Arab Emirates, which host the climate COP28, introduced the format of a “Think28” at a discussion with the Think20 mid-November. This echoes a proposal introduced in 2022 at the Think20 Indonesia Summit in Bali after Italy chaired both the G20 and co-chair the COP26 in 2021 and created the Sustainable Finance working group in the G20. At a meeting a few days before the start of the COP28 with representatives of the Think20 India and Brazil, the co-chair of UNEP resource panel, former Minister of the Environment of Brazil and lead negotiator for Brazil of the Paris Agreement in 2015, raised the idea of a more structured “Think30”, embodying a global, holistic think tanks mobilization process to prepare the Brazilian COP30. Whatever the outcomes of the COP28, the proposal of “Think30” is yet another illustration of rising expectations regarding the role of think tanks not only as providers of good ideas and evidence-based policy proposals but also as reliable and legitimate cross-cultural, cross-border solutions-brokers ■

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The G20 as a Multilateral Force

Kanica Rakhra

Abstract: This paper highlights how the G20 as a grouping works against odds to bring forth voices from the Global South while balancing the requirements of the Global North. It also highlights the focus of the grouping on the Sustainable Development Goals and what it means to be halfway towards Agenda 2030. Most importantly, the paper explains how the G20 is slowly becoming a force to reckon with within the multilateral world.

Keywords: G20; India; Brazil; Global South; multilateralism.

The Group of Twenty as a forum offers a unique approach to multilateralism. Founded in 1999 and elevated to Leaders' Summit in 2008, the grouping has evolved into a distinct entity within the various multilateral forums prevalent today. In light of the BRICS expansion and the discussions about the African Union (AU) addition to the G20, the grouping has received more attention from analysts and observers.

As its inception began in the wake of the Asian financial crisis, the focus of the G20 has primarily been on finance. Before being elevated to the Leaders' Summit in 2008, the G20 would only meet under the Finance Ministers and Central Bank governors to engage in discussions. The importance of the Finance Track was further solidified at the 2009 Leaders' Summit, where G20 designated itself as the "premier forum for international economic cooperation" (G20 Research Group 2009). The Finance Track within the G20 engages in crucial discussions taken by the member States and the European Union. Some of the more recent successful outcomes of the Finance Track include the Debt Service Suspension Initiative (DSSI), a Common Framework for Debt Treatment Beyond DSSI, the G20 Sustainable Finance Roadmap, the G20 principles for quality infrastructure investment, and a proposal to create a Financial Intermediary Fund (FIF) for pandemic Prevention, Preparedness and Response (PPR).

Success in the Finance Track does not mean that other aspects of the G20, such as the Sherpa Track and the different Engagement Groups (EG), that began in 2010, did not flourish in the last 18 years. Due to the unique model of G20 being a rotating Presidency and rotating Secretariat, each member State has chosen to add its flavor to the G20. Australia (2014) focused on gender, with the Brisbane Leaders' Summit Leaders endorsing the *Brisbane 25 by 25* goal to reduce the gender gap in the labor workforce by 25 percent by 2025. Germany (2017), on the other hand, launched the *G20 Compact with Africa* during its Leaders' Summit. Given the many necessities brought about by the pandemic, Italy's (2021) Presidency centered on the Matera Declaration, referred to as "a call to action in the time of the Covid-19 pandemic and beyond." Most recently, India's (2023) Presidency brought the focus on sustainability from a lifestyle perspective with LiFE or Lifestyle for Sustainable Development.

Kanica Rakhra is an Assistant Professor at Kautilya School of Public Policy in India. She has worked with the Indian G20 Secretariat and is a former Fellow at Middlebury Institute for International Studies (2019), the Swedish South Asian Studies Network (2016), and the Harvard led-Arms Control Negotiation Academy (ACONA-2021).

Some have chosen to mock the G20 process, given its arbitrary nature and no set rules of procedure. Nevertheless, this arbitrary nature is what has worked for the G20 and is the reason why it is one of the most democratic multilateral forums that many States and groupings are keen to join. Decisions in the G20 are not binding, which sometimes means that implementation of the documents may not be at par with more structured multilateral organizations such as the International Atomic Energy Agency (IAEA), the United Nations Security Council (UNSC) or the World Trade Organization (WTO). Nevertheless, G20 meetings are followed with equal interest, if not more, and the discussions are given significant weightage in bilateral and multilateral discussions.

This paper draws on the issues with multilateral institutions and explains how the G20's evolution from 2008 has led it to become a multilateral force. The policy paper defines the larger multilateral stalemate and explains how the G20 is slowly becoming more important within the multilateral world. Most importantly, it highlights how the G20 as a grouping is working against odds to bring forth voices from the Global South while balancing the requirements of the Global North.

STALEMATE IN OLD MULTILATERAL STRUCTURES

Multilateral institutions were once considered the best place for State actors to come together and find means of cooperation on various issues. Guided by values of transparency, equity, and inclusiveness, these institutions focused on providing every State a voice, which later adapted to the times and provided space for civil society actors and multilateral corporations.

Many scholars often blame geopolitical tensions for the stalemate prevalent in almost all institutions (Pickford 2023). However, if they are the sole reason State actors cannot progress, why and how are multilateral groupings such as the G20 finding success in their dealings?

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Some specific parameters that have come to define multilateral institutions include a grouping of three or more State parties, rules of procedure that determine how State parties interact with each other, a Secretariat that looks after the documentation, and a “program of work” that outlines what would be discussed by the members of the specific grouping. The United Nations is the mother of all multilateral institutions, but many other multilateral institutions are currently running with these parameters as well. Some of these are the Organisation for Economic Cooperation and Development (OECD), the International Atomic Energy Agency (IAEA), and the Asian Development Bank (ADB).

The aforementioned multilateral institutions, however, are functional due to their technocratic nature. They can execute work as part of their mandate while carefully engaging with the political discourse. For example, the visit of the IAEA Inspectors to the Zaporizhzhia Nuclear Power Plant during the Russia-Ukraine conflict was successful as the inspectors stuck to the mandate of ensuring the safety and security of the nuclear power plant and its workers (IAEA 2023). The IAEA did not take sides in the conflict and focused on its mandate while engaging with both conflicting parties.

However, most other multilateral institutions do not come under the category of efficient execution of their “program of work.” The Conference on Disarmament (CD) is one such example. It has been unable to decide on the agenda for several years, with many calling for the CD (Rademaker 2023) to be revamped. The CD often gets stuck in procedural details, and the discussions refuse to proceed. The CD is only one example in multiple other such organizations that are currently unable to work either because they are bound by “rules of procedure” or because they are trying to find consensus between State parties, which in turn are bound by their national interests.

The significance of multilateralism was never in question, but the institutions and rules defining the contours of multilateral discussions have been weakening over some time. In the last decade, it has come to a stalemate. With national interests restricting cooperative decisions, States are finding alternative mechanisms to approach global problems. Some State parties attempted out-of-box solutions, such as the France and Germany-led Alliance for Multilateralism (EEAS

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2023) or the Blue Dot Network (United States Department of State 2023), which aim to strengthen checks and balances to mitigate infrastructure risks. Plurilateral initiatives between like-minded States such as QUAD are attempting to address common issues of concern, such as public health. However, their impact can be limiting at best, as factors beyond the control of these States would impact the issue at hand, something that would be beyond their decision-making. Global problems, thus, require global solutions.

Additionally, groupings such as the G7, the Shanghai Cooperation Organization (SCO), or BRICS may make decisions that could potentially clash with each other. For example, the G7 decides that Data Free Flow with Trust (DFFT) is essential to ensure that data is not the purview of any one State (G7 Germany 2023). On the other hand, China decides that Cross Border Data Flows (CBDF) (Xudong 2022) is critical to ensure that security and development go together, which would lead to a further stalemate in prominent multilateral settings such as the United Nations.

The stalemate within multilateral institutions is triple-fold, with plurilateral initiatives lacking impact, multilateral institutions lacking action, and State actors bound by national interests.

With multilateralism swinging between consensus and efficiency between the Global North and the Global South, and between developed and developing States, the Group of 20 has become a multilateral force that sits comfortably between different vantage points.

EVOLUTION WITHIN THE G20

The G20 is one of the few multilateral forums that changes shape yearly. While this fact has confused many multilateral experts and made them question the validity of the forum, it has worked well for this multilateral initiative.

The former G8 and now G7's 1999 annual Summit, which committed "to establish an informal mechanism for dialogue among systemically important countries, within the framework of the Bretton Woods institutional system," led to the selection of the G20 countries (MOFA 2023). The first ten years of the G20, from 1999 to 2008, were relatively low-key as the meetings focused on the aftermath of the Asian financial crisis. The meetings concentrated on building a more robust and healthier global financial structure. The Finance Track of the G20 found its footing during this period. Even in 2009, after the G20's elevation to a Leaders' Summit, the importance of the Finance Track was maintained, with the leaders terming

G20 as the “premier forum for international economic cooperation” (G20 2009). The Sherpa Track replicated the multiple meetings of the Finance Track planned throughout the year and has now outgrown the Finance Track in the number of meetings it holds throughout the year. However, the Leaders’ Summit was reduced to once a year from biannual meetings.

The G20 has worked like clay being molded by different potters every year. The Republic of Korea’s (RoK) Presidency in 2010 led to the development of the different Engagement Groups, which were designated non-government participants from each G20 member State, participating in the different working groups of the Sherpa Track, contributing towards the policy-making process and providing recommendations to the G20 leaders prior to the Leaders’ Summit. The idea for the Engagement Groups may have come through during the RoK’s Presidency, but multiple G20 Presidencies added different Engagement Groups over the years. The Business20 came into being during RoK’s Presidency (2010), the French Presidency (2011) recognized the importance of Labour20 in Cannes, the Mexican Presidency (2012) established the Think20 to engage with think tanks and research institutions within the G20 countries, the Russian Presidency (2013) recognized Civil20 as an official Engagement Group, the Turkish Presidency (2015) launched Women20, and most recently, during India’s G20 Presidency (2023), StartUp20 became an official Engagement Group.

The Engagement Groups mirror the functioning of the Sherpa Track in varying degrees. One similarity between all the Engagement Groups (EGs) is that each has an Inception and Summit meeting, where the host country shares the outlines for the Engagement Group’s Presidency at the inception and the outcomes from its Presidency during the Summit.

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who engage in collaborations as part of the StartUp20. The success of the EGs is also evident in some non-official Engagement Groups, such as Values20 or News20, that meet on the sidelines of other G20 meetings and develop further engagement until they become official G20 Engagement Groups.

Similarly, the Sherpa Track currently consists of 13 tracks, all of which have come into being over the years. However, this may change with the Brazilian Presidency, which may bring some changes to the track, given its strong commitment to women empowerment. Traditionally, many of the tracks would be introduced first as a Task Force and then brought in as a full-fledged Working Group a year later. The Task Force would assist in setting up the Terms of Reference for the Working Group, which would determine the agenda of each meeting. Over the years, some of the Working Groups that have come about in different Presidencies are: the Development Working Group (DWG) works towards the G20 development agenda since its inception during the Republic of Korea's Presidency (2010); the French Presidency (2011) created the Agriculture Deputies Group; the Leaders' Declaration under the Australian Presidency (2014) led to the creation of an Employment Working Group; German Presidency (2017) established the Health Working Group; Argentina's Presidency (2018) began the Education Working Group (EdWG); Saudi Arabia's Presidency (2020) brought in the Tourism Working Group and the G20 Culture Ministers meeting; the Italian Presidency (2021) created the Digital Economy Working Group; and most recently, India's G20 Presidency started the Disaster Risk Reduction (DRR) Working Group in 2023.

While the Engagement Groups were a part of each Presidency's call to further non-governmental interaction in a specific area, the introduction of the Working Groups represented not just the Presidency's call but also a global need for discussions on the specific topic.

Additionally, several "initiatives" were also launched by host nations to prompt conversations among member States. Government agencies primarily lead these initiatives. For example, the Space Economy Leaders Meeting (SELM), initiated during Saudi Arabia's Presidency, was led by the Saudi Space Commission (2020), then by the Italian Space Agency (2021), and followed by the National Research & Innovation Agency of Indonesia (2022). India's Space Research Organization (ISRO) followed by organizing the 4th SELM under Indian G20 Presidency. A new "initiative" of India's G20 Presidency was the Chief Scientific Advisors Roundtable (CSAR). The G20-CSAR brings together Chief Scientific advisors of the G20 Heads of State/Government intending to create an effective institutional arrangement/platform to discuss global science and technology policy issues.

While the G20 has space to bring new “initiatives” or launch new Engagement Groups and Working Groups as per the current Presidency, it needs to constantly be mindful of discussions happening in other forums on topics such as education, climate and environment, and employment; for example, keeping track of developments in the International Labour Organization (ILO) for the Employment Working Group or the impact of the Transforming Education Summit (TES) on the Education Working Group.

If compared with other multilateral institutions, the G20 can seem strange. The mechanism of adding new Working Groups to the Sherpa Track, initiatives launched by host nations, and the non-government Engagement Groups participating and giving statements in government-to-government discussions and handing over suggestions to the leaders prior to their Summit meeting are not a standard format for multilateral organizations or forums.

This, however, makes the G20 a successful multilateral institution. It may not have a permanent Secretariat or defined rules of procedure to determine the contours of the grouping. However, it provides space for State parties to take ownership of the Presidency in whatever manner they may deem fit. In other multilateral institutions, even if a member State becomes a chair, it is bound by the rules of procedure that limit the influence and agency of its chairship. This is not the case with the G20, which gives each member equal space to make the G20 its own. A case in point would be the Energy Sustainability Working Group, established during the Russian Presidency (2013). The Working Group continued with its agenda until the German Presidency (2017), when it became a part of the Climate and Energy Sustainability Working Group. This was because Germany saw the two concepts as interlinked. However, during the Argentine Presidency (2018), the two concepts were delinked and discussed under separate working groups—the Environment and Climate Sustainability WG and the Energy Transition WG. Each change reflects the inputs of the past, when Energy Sustainability and Climate Sustainability became Climate Sustainability and Energy Transition.

The G20 is a constantly evolving multilateral grouping that keeps it updated on international discussions of every topic, on issues of relevance for countries in the Global North and Global South, and the requirements of the developing and developed States.

GLOBAL SOUTH IN MULTILATERAL FORUMS

Multilateral forums give equal voice to all State parties, whether it be the multitude of UN bodies or smaller groupings such as the Association of South-East Asian Nations (ASEAN), Asia-Pacific Economic Cooperation (APEC), Eur-

asian Economic Union (EEU), or the Indo-Pacific Economic Framework for Prosperity (IPEF). Recent history, highlighted in the examples below, reveals that Global South countries or States that identify with the Global South have succeeded in different multilateral forums. They use these forums to voice their opinions as a collective, either in a multilateral forum like the UN or in smaller multilateral groupings.

One example of a smaller multilateral grouping that is also regional is ASEAN. It is the regional tone that determines the rules of procedure for ASEAN member countries. The ASEAN member States came together to form an institution that could help them collectively come forward while ensuring that internal problems would allow the multilateral processes of the forum. Article 2.2(e) of the ASEAN Charter states that members shall maintain a policy of “non-interference in the internal affairs of ASEAN Member States” (ASEAN Secretariat 2008). Thus, the multilateral forum, which consists of Global South countries, could engage in discussions within the forum, including on the maintenance of “peace and security” and preservation of “South-East Asia as a Nuclear Weapons Free Zone” while following non-interference in the internal affairs of the member States. This could be considered contradictory for some States in the Global North, but non-interference has helped these States come together.

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In some cases, it is particular issues that bring States together. In such cases, the membership may be wider than the Global South and could have members from the Global North. Given the thematic nature of the grouping, Global South voices are better articulated and responded to by the forum. The Indo-Pacific Economic Framework for Prosperity (IPEF) is a multilateral forum that focuses on fueling economic activity and investment and promoting sustainable and inclusive economic growth for its member States. Its member States include Australia, Brunei Darussalam, Fiji, India, Indonesia, Japan, the Republic of Korea (RoK), Malaysia, New Zealand, Philippines, Singapore, Thailand,

United States of America (USA) and Vietnam. While some States, such as Australia, New Zealand, Japan, and the USA, are members of the Global North, many others represent the Global South. States from the Global North and South have been able to come together as all members find their needs and aspirations being represented and understood by the forum.

Smaller groupings provide space for Global South countries to meaningfully engage in multilateral forums, whether regional or thematic. Another success story for the Global South States has been the success of Small Island Developing States (SIDS) and their demand for climate change mitigation and adaptation strategies in the United Nations.

SIDS (United Nations 2021) consists of 39 member States, which span three geographical regions: the Caribbean, the Pacific and the Atlantic; the Indian Ocean; and the South China Sea. Although they represent less than 1% of the world's population, the Group faces unique social, economic, and environmental challenges. The threat and impact of climate change are not only long-term, as they may be for other States. Many within the SIDS are facing the devastation of climate change in their everyday lives, threatening their survival.

The SIDS adopted the Small Island Developing States (SIDS) Accelerated Modalities of Action Pathway (or the SAMOA Pathway) in 2014 at the United Nations Third International Conference on SIDS. The Pathway is the dedicated, internationally agreed program of action for Small Island Developing States (SIDS) for the 2014-2024 decade.

Another example of a multilateral forum with strong Global South representation is the BRICS. It was initiated in 2010 and has chosen to follow a similar pattern to the G20. The topics discussed in the different tracks, as well as the BRICS Leaders Summit, are similar to the topics discussed in the multiple G20 meetings. While the member States largely mirror that of the SCO, the format and structure of the BRICS are similar to G20, even though the SCO and G20 came into being around the same time, i.e., 2001 and 1999, respectively.

The Global South voices its concerns by coming together (ASEAN, SIDS) by engaging with some members of the Global North (IPEF), and by engaging with other members of the Global North and South (BRICS). However, collective engagement with all P5 countries, essential members of the changing international order, and representative voices from the Global South are found only with the G20. Additionally, it is in the G20 that Global South States can lead the discussions during their G20 Presidencies and not only voice their concerns but also shape the agenda for discussions.

INDIA AND GLOBAL SOUTH IN G20

The G20 comprises ten developing and ten developed members. This equal balance has worked intriguingly in the multilateral forum. One of the unique things about the G20 and its rotating Presidency is the process of choosing the Presidency.

The G20 Presidency is chosen based on a rotation model. A cluster of member States forms the five groups: Group 1 (Australia, Canada, Saudi Arabia and the United States); Group 2 (India, Russia, South Africa and Turkey); Group 3 (Argentina, Brazil, and Mexico); Group 4 (France, Germany, Italy, and the United Kingdom); and Group 5 (China, Indonesia, Japan, and the Republic of Korea) (Parliament of Australia 2013). The EU, the 20th member, is not a member of any of these groups. As a regional organization, it does not host the G20 but is a participating member and a penholder in all official documents. As per the different groups formulated, each year the G20 Presidency moves from one group member to another.

Another unique aspect of the G20 Presidency is the concept of the Troika. This Troika consists of the past, present, and upcoming Presidencies. The purpose of the Troika is to ensure a seamless transition from one Presidency to another. This is vital given the rotating nature of the Secretariat.

Given the formation of each group and the division of members in each group, the G20 never had a Troika from the Global South until 2023. A Global North Presidency almost always follows a Global South country. The only time there were two continuous Global South Presidencies was in 2015-2016, with Turkey (2015) and China (2016). It was only during India's Presidency that the Troika was from the Global South (Indonesia–India–Brazil).

This trend will continue during Brazil's Presidency, with the Troika consisting of India–Brazil–South Africa. Saudi Arabia has elicited interest for the G20 Presidency after South Africa, as the Covid-19 pandemic overtook its 2019 Presidency. Thus, the Global South is getting more space within the defined structures of the G20, where it can shape the agenda and bring new dialogue to the discussions.

The impact of the collective Global South voice in the G20 could be seen most clearly during Indonesia's G20 Presidency. The suddenness of the Russia-Ukraine conflict deeply impacted Indonesia's Presidency in the multilateral forum. The strong support sentiment towards Ukraine resulted in the Global North antagonizing and harping the Russian Federation. Walkouts during Russian interventions were becoming the norm, and pressure was exerted on all other member States to join in boycotting Russia. This was only semi-successful as many of the Global South States, such as Brazil, South Africa, and India, chose not to take sides (Tri-

bune News Service 2022). The G7, which comprises the Global North, removed the Russian Federation from the erstwhile G8 in 2014, after the invasion of Crimea. However, this was not successful in the G20 in 2022. The Global South can claim a big success in ensuring the Russian Federation's continuation in the G20.

India understood the value of G20 long before its Presidency. It gave a significant boost to the G20, not only during its Presidency but also during other Presidencies, especially during the Saudi Arabian Presidency (2020) and Argentine Presidency (2018). During his remarks at the 2020 Leaders Summit, the Indian Prime Minister suggested creating a G20 Virtual Secretariat as a follow-up and documentation repository. The Indian PM also called for a new Global Index for the Post-Corona World that would comprise four key elements—the creation of a vast talent pool; ensuring that technology reaches all segments of the society; transparency in systems of governance; and dealing with Mother Earth with a spirit of trusteeship (Government of India 2020). The Indian Prime Minister believed such actions within the G20 could lay the foundation of a new world. During the Argentine Presidency (2018), the Indian PM called for “reformed multilateralism” and for “enhanced coordinated action against fugitive economic offenders and financing of terrorism” (The Times of India 2022). Additionally, the Indian assurance during the Bali declaration and the handover from Indonesia to India, that the G20 acts as a global prime mover (Modi, 2022), was maintained by the country.

The government of India's recent focus on providing leadership to the Global South can also be seen in the special virtual meeting *Voice of Global South Summit* under the theme Unity of voice, Unity of purpose, held at the beginning of its G20 Presidency in January 2023 (MEA, 2023). The two-day event concluded with India taking suggestions from the Global South leaders on topics of relevance that India could highlight in its G20 Presidency. No other G20 Presidency has taken suggestions in this manner. This action brought the Global South and India closer to each other and also made the Indian G20 Presidency more democratic in its theme while being representative of the Global South.

INDIA'S G20 PRESIDENCY

The Indian G20 Presidency received much attention and fanfare from around the world. No Presidency before this garnered as many media bytes. Following in the heels of Indonesia's complicated G20 Presidency, primarily due to the Russia-Ukraine conflict, the Indian Presidency was closely watched and appreciated for delivering some of the vital outcome documents on Lifestyle for Sustainable Development (LiFE) and Action on Sustainable Development Goals (SDGs). Additionally,

the relatively softer language on the Russia-Ukraine conflict, as reflected in the New Delhi Leaders' Declaration (G20, 2023), resulted in appreciation of the Indian Presidency for its attempts to build bridges between the conflicting parties.

During Indonesia's G20 Presidency, States could not agree on language for ministerial documents, and all G20 Working Groups released a Chair's Summary. A Chair's Summary, as the name suggests, summarizes the discussions and deliberation by the country holding the chair's position. It implies that member States could not agree on text language, and the document released would encapsulate the discussions. Most importantly, State parties cannot be held accountable for the document and its implementation. This was because the Russia-Ukraine conflict began influencing nearly all aspects of G20, from food to environment to education and to finance. Countries could not agree on addressing the Ukraine issue as part of the final documents. The problem was a new one, as no conflict impacted G20 deliberations before 2022. Due to the military action occurring in Europe's backyard, members of the G7 were keen to bring out all aspects of the conflict within G20 deliberations. Fortunately, the G20 leaders were able to negotiate the text of the Leader's Declaration, released at the Bali Summit in November 2022. This was primarily due to President Jokowi's intervention and engagement with world leaders prior to the Summit.

The issue that began with the Russia-Ukraine conflict persisted during India's G20 Presidency. Chair summaries became the norm for many of the ministerial outcome documents due to the inability of member States to engage within the G20 on conflicting areas. However, the success rate for India was higher than Indonesia.

The Indian Presidency's most meaningful victory was its theme of *Vasudhaiva Kutumbakam*, which translated into One World, One Family, One Future under the spirit of "the world is one family." The theme intended to make all parties understand that conflicts should not lead to a standstill in communicating with each other. It also centered on shifting the discussion from an "Us versus Them" approach towards a sense of shared community, which resonates more with the Global South. In light of Indonesia's G20 Presidency and the Russia-Ukraine conflict, all the G20 member States appreciated this theme.

Another key takeaway from India's Presidency was accepting the concept of Lifestyle for Environment (LiFE). Launched by the Indian Prime Minister as *In our LiFEtime* at a side event of the 2022 United Nations Climate Change Conference or Conference of the Parties of the UNFCCC, more commonly referred to as COP27, in October 2022 (Yadav, 2022), the idea was later floated as *Mission LiFE* within India (Luthra, 2022). The idea behind LiFE was to promote behav-

ioral changes in the everyday lifestyles of people, which would ensure less stress on the climate and environment while conserving energy. It was a significant part of India's Chairship of the Development Working Group (DWG), which released the High-Level Principles (HLP) on Lifestyle for Sustainable Development (G20 India, 2023).

While India's G20 Presidency was a success in many ways, there were compromises that India, as Chair, had to make to ensure that the G20 came together on all issues. Of the documents highlighted above, LiFE was introduced by the Development Working Group as a key deliverable. But convincing G20 members about the term was an uphill task and, after multiple negotiations, the document was released as the High-Level Principles (HLP) on Lifestyle for Sustainable Development. The High-Level Principles outline how States should approach the complex and intermingled issues of climate change and environmental degradation by working towards sustainable consumption and production. LiFE focuses on individual and community behavior from a bottom-up approach rather than the traditionally followed top-down approach used by State parties. It builds on the Indian Presidency theme of *Vasudhaiva Kutumbakam* (One World, One Family, One Future) by using a Pro-People-Planet approach. The latter (People, Planet, Prosperity) was also the theme for the Italian Presidency (2021), showcasing India's attempt to bridge the gap between the Global North and Global South.

Ensuring women-led development was one of the key priorities of India's G20 Presidency, translated as a successful outcome. Of the multiple G20 meetings in the different tracks highlighted in the text above, discussions on Women's issues were segregated into two spaces, as an Engagement Group titled Women20 and as an "initiative" titled G20 EMPOWER, which usually concluded with a ministerial document. G20 Leaders agreed to the creation of a Working Group under the Sherpa Track on the empowerment of women (PIB, 2023). The Brazilian Presidency will host the first meeting of this Working Group next year.

India also succeeded by ensuring various G20 meetings in different parts of India. International meetings are usually held in one or two key cities with the wherewithal to host such events. Indonesia followed this format by holding most of its meetings in the tourist-friendly city of Bali and its capital city of Jakarta. However, India chose to hold meetings in 60 different cities (PIB, 2023), opening multiple parts of the Global South world to international meetings and engagements. This decision was welcomed with open arms by the public, who ensured that the meetings were successful and that the cities were ready to roll out the red carpet for representatives of member States.

The G20 Summit 2023, held in New Delhi on September 9 and 10, was historic from an Indian perspective. It was the first time all world leaders assembled in New Delhi. It was in March 1983 that India hosted a Summit, i.e., the Non-Aligned Movement Summit, of similar proportions. The 1983 Summit did have world leaders but was bereft of the P5 States—U.S.A., UK, France, Russia, and China. India hosted 20 of the top world leaders together for the first time. It was able to successfully negotiate critical documents along with the Leaders' Declaration, upholding a specific Global South agenda.

THE WAY AHEAD WITH G20: BRAZIL'S MOVE

Given that the G20 works on consensus, like most multilateral forums, the limitation of implementation has been challenging to navigate around. The complicated and ever-growing Working Groups in the Finance and Sherpa Track and the plethora of Engagement Groups and Initiatives often leave analysts and observers questioning the purpose of the G20.

If the G20 is nothing more than a Paper Tiger, why did it receive so much importance during the Indian Presidency? Furthermore, why are States such as Saudi Arabia keen to take up the G20 Presidency again when it just completed its Presidency in 2019? Do the outcome documents point towards sameness or a change in perspective?

In its role as a norm-setter and as a multilateral forum, the G20 stands tall. Especially after the Indian G20 Presidency, State parties are vying for their turn to chair the Presidency and add value similarly or more intensely. With representation from the G7, Russia, China, and the many important countries of the Global South, the G20 has found its footing as an organization that takes the Global South along with the Global North.

The G20 has established itself as a multilateral force that falls outside the traditional viewpoints of multilateral organizations. It can shape narratives and put the Global South as an equal partner in decision-making. As can be seen with the Indian Presidency, a lot depends on the host country and how much it is willing to invest into the process of not only conducting a successful G20 but also of adding substantive value representative of its State.

While other multilateral forums, such as BRICS, have a format of including new member States, the same does not exist for the G20. India's chairship of the G20 may have resulted in bringing the African Union (AU) as a permanent member (Chido, 2023), but it is Brazil that would decide the format of engagement. Brazil

would need to lead the discussions on whether the forum would now be called G21 or whether the AU would begin with penholder status in all meetings of the G20/G21. The South American State would also have to lead the decision on gradual participation in some tracks or complete integration of the AU.

The concept of Lifestyle for Environment has found many takers in the Global South representatives within G20. In taking forward the G20 Presidency from India, Brazil would be keen to be seen as a representative of the Global South. The Brazilian President promised to end deforestation by 2030 (BBC 2023). As per news reports, deforestation has drastically reduced. However, only a lifestyle change furthered during the upcoming Brazilian G20 Presidency can break the supply-demand cycle and help achieve Brazil's goal of ending deforestation. Brazil has announced the Bioeconomy Initiative based on: science, technology and innovation; sustainable use of biodiversity; and the role of bio economy in promoting sustainable development. The current G20 Presidency has also announced two Task Forces: Global Mobilization against Climate Change and Global Alliance against Hunger and Poverty. The initiative and task forces set the direction for the key priority areas of the Brazilian Presidency.

Other factors influencing the upcoming Presidency would be the choice of Working Groups that Brazil chooses to begin or reduce and the invitee countries it brings to the meetings. Invitee countries do not have penholder status but participate in the deliberations and provide inputs. As they are not regular participants, their inputs offer a new perspective than that of the G20 member States. Brazil has invited seven countries apart from Spain, which is a permanent invitee country. Of the seven States, six are from the Global South with the United Arab Emirates being invited the second year running.

Brazil is in the unique position of leading a Troika that is firmly rooted in the Global South. The impetus provided by India could lead to an even more impactful Brazilian G20 Presidency, with each Global South country bringing in more representative ideas that provide a legacy for the next one to take forward. ■

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A Roadmap for Brazil's G20 Presidency on Sustainable Finance

Maria Netto

Lucca Rizzo

Cíntya Feitosa

Abstract: Brazil took over the G20 Presidency in December 2023, prioritizing social inclusion, hunger, and sustainable development. Emphasizing the need for substantial climate finance to comply with the Paris Agreement, Brazil commits to fostering sustainable finance within the G20, aiming to combat climate change and promote global sustainable development. The policy brief aims to succinctly summarize G20 financial discussions on climate change, spotlighting the Sustainable Finance Working Group's activities and Brazil's proposal for an ambitious yet tangible climate finance agenda during its G20 tenure.

Keywords: G20; G20 Brazil; sustainable finance; climate change; global development.

In a symbolic gesture marking the transfer of the G20 Presidency, Indian Prime Minister Narendra Modi handed over the gavel to Luiz Inácio Lula da Silva in September 2023. The Brazilian President, who thanked India for highlighting topics of interest to emerging economies and welcoming the African Union to the group, has emphasized that social inclusion, the fight against hunger, energy transition, sustainable development and the reform of global institutions will be Brazil's G20 Presidency priorities (Brazil 2023).

By setting the motto *Building a Fair World and a Sustainable Planet* as the theme of its Presidency, Brazil officially assumed the role of leading the G20 in December 2023. This new responsibility not only entitles the Brazilian Government to host several technical groups, preparatory meetings and the 2024 Summit, but also brings forth numerous opportunities for the South American country to leverage its global influence by aligning the G20 agenda and collaborating with other member States to address pressing climate challenges.

The Brazilian government has already indicated the importance of climate change for its Presidency, by setting a dedicated cross-cutting taskforce to discuss global mobilization for climate change. The Brazilian leadership of the G20 comes at a unique time when it is necessary to accelerate the reduction of greenhouse gas emissions and advance solutions for climate adaptation on an unprecedented scale.

According to the latest report from the Intergovernmental Panel on Climate Change (IPCC 2023), to achieve the Paris Agreement target of avoiding surpassing 1,5 °C by the end of the century, it is necessary to peak emissions in 2025 and to reduce them by 43% compared to 2019 levels. Since G20 countries respond for about 70% of the global emissions and comprise about 80% of the global GDP, the forum is a relevant space not only to exchange experiences, but

Maria Netto is the Executive Director of the Institute for Climate and Society (iCS). She worked at the American Development Bank and the New Development Bank on the development of innovative financing programs and strategies to promote private sector investment in low-carbon and resilient projects.

Lucca Rizzo is the Climate Finance Specialist of the Institute for Climate and Society (iCS). He is a lawyer with a master's degree in international relations from PUC-Rio, with more than 7 years of experience in structuring and negotiating project finance, capital markets and green finance transactions.

Cíntya Feitosa is the International Strategy Specialist of the Institute for Climate and Society (iCS). She holds a master's degree in management, specializing in sustainability, from the Fundação Getúlio Vargas's São Paulo School of Business Administration (FGV EAESP), with research on the adaptation to climate change.

to lead to the implementation of climate policies aligned with science recommendations and international treaties (D'Souza & Sarkar 2023).

At the core of the pressing demand to modify development and carbon emission trajectories lies the imperative to enhance climate finance support and investments. The projected expense for transitioning economies to achieve carbon neutrality by 2030 is estimated to be at least US\$ 4.3 trillion annually, with a minimum of US\$ 1 trillion earmarked for emerging economies (excluding China). Despite that, emerging nations have been receiving less than 27% of the required investment and financial resources to tackle climate change (Netto & Suchodolski). Considering adaptation, the finance gap is currently about US\$ 194 billion to US\$ 366 billion per year (UNEP 2023).

In this context, Brazil's commitment to fostering sustainable finance within the G20 framework stands as a cornerstone of its leadership, reflecting the country's dedication to combat climate change and advance global sustainable development. Through active engagement in the Financial Track, Brazil can effectively channel its commitment to fostering climate finance to emerging markets into tangible actions that resonate on a global scale, ensuring a more resilient, inclusive, and sustainable financial future. Moreover, given the prioritization of the climate agenda along with the poverty alleviation agenda, this is also an opportunity for the country to present concrete steps, through the sustainable finance agenda, to leave a legacy of ambitious climate action that leads to the reduction of inequalities.

The Brazilian Presidency of the group cannot be seen in isolation in relation to other great moments that the country will lead in the next two years: the Clean Energy Ministerial meeting in 2024; the Presidency of the BRICS group in 2025; and the Presidency of UNFCCC COP30, also in 2025. Brazil's leadership capacity in the G20 will provide important political signals and leverage ambition and implementation measures in these other forums.

From this perspective, this text provides a concise summary of the G20 financial areas of discussions related to climate change, highlighting the activi-

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ties of the Sustainable Finance Working Group, and the current proposal of the Brazilian Government to build an ambitious yet tangible climate finance agenda during its G20 mandate.

G20 HISTORICAL INVOLVEMENT WITH SUSTAINABLE FINANCE

Founded in 1999 after the Asian financial crisis of 1997-1998 as an informal forum for a selected number of Finance Ministers and Central Bank governors to discuss international economic and financial stability, G20 was elevated to the level of Heads of State/Government in response to the global economic and financial crises of 2007. Focusing initially on broad macroeconomic issues, the group became the premier forum for international economic cooperation (G20 India 2023a).

Over the years, G20 has expanded its agenda to also include discussions related to climate change, sustainable development, energy and other major issues involving international cooperation. The first commitment of G20 leaders regarding climate change was achieved in the 2009 London meeting, where leaders endorsed the principles of intergenerational equity and sustainability and pledged to “build an inclusive, green, and sustainable recovery.” The key drivers of this initiation can be attributed to the visible effects of climate change, such as the melting ice cap on the top of Mount Kilimanjaro, alerted by African countries, and civil society engagement in the intergovernmental G20 Summit (Kirton & Kokotsis 2015).

Over the years, G20 has expanded its agenda to also include discussions related to climate change, sustainable development, energy and other major issues involving international cooperation.

The inaugural G20 climate finance study group was instituted during the 2012 Summit held in Los Cabos, Mexico. Its primary objective was to deliberate on strategies for efficiently channeling resources to assist developing economies, while remaining aligned with the goals, clauses, and principles outlined in the United Nations Framework Convention on Climate Change (UNFCCC). The G20 leaders aspired to investigate innovative initiatives geared towards advancing low-carbon development strategies, with the overarching aim of maximizing the opportunities for sustainable growth (Solikova 2020).

Under Turkey’s Presidency, in 2015, the G20 asked the Financial Stability Board (FSB) to convene public and private sector participants to review how the

financial sector could take account of climate-related issues. As a result, the FSB established the private sector, industry-led Task Force on Climate Related Financial Disclosures (TCFD) to develop recommendations for disclosures around climate-related financial risks for companies (Carney 2016). The recommendations have become a widely used basis for climate-related reporting, including in the International Sustainability Standards Board's sustainability disclosure standards (ISSB), which will serve as a global framework for disclosures.

Subsequently, starting with China's 2016 G20 Presidency, the Green Finance Study Group aimed at identifying obstacles to green finance and exploring strategies to attract private capital. The Argentine Presidency in 2018 expanded this focus, leading to the change of the name to the Sustainable Finance Study Group (SFSG), reflecting its wider sustainability concerns. Under Italy's G20 Presidency, the SFSG was re-established to facilitate G20 leadership in mobilizing finance for the Paris Agreement and the 2030 Agenda.

The SFSG revival was approved by G20 Finance Ministers and Central Bank governors in February 2021 and was subsequently upgraded to the Sustainable Finance Working Group (SFWG) in April 2021, showcasing the G20's dedication to advancing sustainable finance goals. The SFWG serves nowadays as a dedicated platform for G20 members to collaborate on strategies that align financial systems with sustainable development goals, as better described in the following section (G20 Italia 2021a).

Currently, there are also other G20 initiatives in the Finance Track that have a relevant impact on climate change discussions due to their direct connection with the availability of financial resources in emerging countries. These discussions aim to reverse the impacts of international indebtedness, which also affects global financial efforts to combat climate change and climate-related risks. Such initiatives include the International Financial Architecture Working Group and the Financial Sector Issues. These groups deal with discussions and recommendations related to development finance, managing debt vulnerabilities, and promoting local currency bond market. The reform of multilateral development banks

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(MDBs), the improvement of hedging instruments, and the promotion of innovative instruments, such as debt-for-nature/climate swaps, are significant policy measures that should be deployed to improve low and middle-income countries' capacity to attract international climate finance.

In the Sherpa Track, the Development Working Group (DWG) has been acting as the G20 “development agenda” since its inception in 2010 and has been a significant contributor, aiding Sherpas in advancing the G20 Sustainable Development agenda, and collaborating with other task forces to gain a deeper insight into how G20 initiatives align with endeavors to attain the 2030 Agenda for sustainable development. The initiatives of the DWG on sustainable finance include the development of a set of principles for sustainability bonds (G20 Italia 2021b) and blended finance in emerging countries (OECD 2022). Other working groups under this track also present opportunities for greater alignment with the Finance Track and the climate agenda, such as the working group on disaster reduction, agriculture and energy transition.

Overall, G20 has become one of the main global forums for discussions involving climate governance and climate finance. It incentivizes the integration of climate finance and climate change issues into the agenda of Ministries of Finance and Central Banks of member countries.

The G20 also echoes relevant discussions raised in international forums, such as Mia Mottley's Bridgetown Agenda, which has influenced Indonesia's G20 independent review of MDB's capital adequacy framework. Such recommendations have the potential to leverage an additional US\$ 1 trillion for climate and development finance (Palmer & Schroeder 2022). The determination for a more inclusive MDB system is also reflected in New Delhi Leaders' Declaration that claimed an international development finance system that is “fit for purpose,” highlighted the need for enhancing representation and the voice of developing countries in decision-making in global international economic and financial institutions, and emphasized the importance of addressing debt vulnerabilities (G20 India 2023b). During India's Presidency in 2023, the Environment and Climate Ministers stated the need to reform international financial structures to meet the challenge of scaling up climate finance, in particular for adaptation (G20 India 2023c).

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of climate finance and climate change issues into the agenda of Ministries of Finance and Central Banks of member countries. Although the recommendations issued by the working groups or leaders' declarations are not legally binding on its members, the statements have political effects and may put peer pressure to set internationally agreed standards and policies for implementation by its members at the national level.

SUSTAINABLE FINANCE WORKING GROUP

As already mentioned, the SFWG was formally re-established in 2021, during Italy's Presidency and, since then, it has been continued under the Presidencies of Indonesia (2022), India (2023) and now Brazil (2024). The group is co-chaired by China and the United States of America, with Secretariat support provided by the United Nations Development Programme (UNDP), and usually hosts four meetings annually.

The group aims to mobilize sustainable finance to foster worldwide growth, stability, and facilitate the shift towards more environmentally conscious, robust, and inclusive societies and economies. It is tasked with recognizing obstacles in the path of sustainable finance and formulating voluntary and inclusive approaches to harmonize financing and policies with the objectives outlined in the Paris Agreement and the Sustainable Development Agenda 2030.

The SFWG holds relevance in addressing the crucial intersection of climate risks and financial regulation. By fostering collaboration among G20 members, the group plays a pivotal role in crafting innovative instruments and strategies to allocate financial resources effectively against climate change. Furthermore, the SFWG actively engages with central banks and financial regulators to promote climate-related discussions and recommendations to encourage financial institutions to align their investments with long-term sustainability goals. It also serves as a forum for sharing best practices and expertise on sustainable finance frameworks. This facilitates cross-border cooperation in developing standardized approaches for assessing climate-related risks and opportunities in financial decision-making.

Each Presidency proposes the sets of priorities, research, and initiatives to be conducted by the group during its mandate. The scope of work may encompass expert reports related to sustainable finance topics and workshops to discuss major challenges. The recommendations emerging from the SFWG initiatives are summarized in the Sustainable Finance Reports, which also include a summary of the progress related to the actions of the G20 Sustainable Finance Roadmap, as described below.

To better track the initiatives conducted by the SFWG so far, prior to highlighting a few initiatives to the upcoming Brazilian Presidency, there is a summary below of the topics developed by each Presidency according to their list of priorities and relevant outcomes (G20 Italia 2021c; G20 Indonesia 2022a; G20 India 2023d).

ITALY'S PRESIDENCY KEY PRIORITIES AND OUTCOMES

- **G20 Sustainable Finance Roadmap.** This is a framework that identifies key elements of a financial system aligned with the 2030 Agenda and the Paris Agreement, to help focus the attention of the international community to advance these elements, inform the work priorities and help to identify where the SFWG can act and shape future work plans (G20 Italia 2021d).

The roadmap was endorsed by G20 leaders during the Rome Summit and is a multi-year initiative that SFWG shall annually inform progress via a synthesis report and may be updated as necessary to address emerging challenges. The document lists 19 actions across five focus areas that the G20 elected as priorities for scaling up sustainable finance, including approach to align investment to sustainability goals, management of climate risks and role of public finance.

- **Overcoming Informational Challenges by Improving Sustainability Disclosure and Reporting.** The initiative reviewed existing international efforts to assess the state of sustainability reporting across jurisdictions and considered the best practices to influence risk assessment and mobilization of sustainable finance, including for SMEs and developing economies. As an outcome, the SFWG recommended ISSB to develop a baseline global sustainability reporting standard, which led to the creation of IFRS S1 and S2.¹
- **Improving Compatibility of Approaches to Identify, Verify and Align Investments to Sustainability Goals.** This initiative reviewed existing and emerging approaches, including taxonomies, principles, labeling and certification schemes identifying sustainable and transition finance opportunities, in the private and public sectors. It provides

1. According to IFRS, the "IFRS S1 provides a set of disclosure requirements designed to enable companies to communicate to investors about the sustainability-related risks and opportunities they face over the short, medium and long term. IFRS S2 sets out specific climate-related disclosures and is designed to be used with IFRS S1". For more information, see <https://www.ifrs.org/news-and-events/news/2023/06/issb-issues-ifrs-s1-ifrs-s2/>.

recommendations on best practices and initiatives to enhance interoperability (G20 SFWG 2021).²

- **Role of International Financial Institutions (IFIs) in Supporting the Paris Agreement.** This initiative has produced a report that discussed the status of the alignment of MDB's operations with the Goals of the Paris Agreement and suggested ways to accelerate IFIs and international organizations' alignment with the climate agenda. The SFWG recommended MDBs to scale up de-risking facilities for private finance and step-up support to developing countries, among other activities.

INDONESIA'S PRESIDENCY KEY PRIORITIES AND OUTCOMES

- **Developing a Framework for Transition Finance and Improving the Credibility of Financial Institution Commitments.** This initiative focused on (i) a high-level transition finance framework encompassing the identification of eligible activities, project reporting, financial instruments, policy incentives and impacts, including case studies; and (ii) a report on financial institution net-zero pledges to climate transition (G20 Indonesia 2022b).
- **Scaling up Sustainable Finance Instruments, with Focus on Accessibility and Affordability.** A policy toolbox that presented ways to scale up sustainable finance markets, focusing on accessibility and affordability. It identifies barriers and recommendations to emerging markets and SMEs. The SFWG developed a set of voluntary recommendations to MDBs, IOs, financial institutions and public authorities, including capacity building, innovative instruments, alignment of investments and policy incentives suggestions. In the same year, as already presented, the DWG has developed the G20 Principles to Scale up Blended Finance in Developing Countries.
- **Discussing Policy Levers that Incentivize Financing and Investment that Support the Transition.** A forum convened in June 2022 in which members shared experiences and discussed climate mitigation policies across G20 jurisdictions, with discussions on carbon pricing mechanisms and climate disclosure asymmetry.

2. See G20 SFWG (2021) for discussions related to the improvement of sustainability requirements. The full resolution is established under the 2022 G20 Sustainable Finance Report.

INDIA'S PRESIDENCY KEY PRIORITIES AND OUTCOMES

- **Mechanisms for Mobilization of Timely and Adequate Resources for Climate Finance.** The SFWG discussed emerging options, mechanisms, and instruments of resource mobilization for climate finance and developed a set of general recommendations for scaling up blended finance and risk-sharing facilities. Suggestions have included the development of regulatory frameworks, creation of new instruments and an enabling environment for philanthropy investment.
- **Enabling Finance for the Sustainable Development Goals.** A workstream dedicated not only to climate, but also to other sustainability issues. It has developed an analytical framework for SDG-aligned finance, focusing on financial instruments for social impact investment and nature-related data and reporting. The SFWG developed voluntary recommendations to scale up social impact investment instruments and to develop nature-related reporting standards and frameworks.
- **Capacity Building of the Ecosystem for Financing toward Sustainable Development.** Recognizing the crucial role of capacity building and technical assistance, the SFWG identified capacity building as a key area in 2023 and developed the Technical Assistance Action Plan (TAAP), a multi-year document to be carried out by institutions when developing capacity-building initiatives (G20 India 2023e). The TAAP shall be implemented gradually and progress shall be reported to the SFWG.
- **Side Events.** The SFWG hosted events on non-pricing policy levers for sustainable investment and measures for catalyzing greater capital flows to early-stage climate technologies. These resulted in general recommendations to governments and investors, including policies to incentivize corporate investments in research and development and collaboration between investors and public authorities to develop new financing structures.

BRAZIL'S CURRENT PROPOSAL FOR SFWG

In its role as the leader of the G20, Brazil can play a proactive role within the SFWG by advocating for policies that promote responsible investments and incorporate climate considerations into financial decision-making. While President Lula's recent speech emphasized that "we cannot allow geopolitical issues to hijack G20 bodies' discussion agendas," Brazil should be mindful of the current global divisions that could impact consensus-building within the G20.

Instead of pursuing an extensive list of ambitious actions, the current proposed agenda of SFWG being elaborated by Brazil is focusing on a few practical objectives.³ It also builds on keeping prioritizing the implementation of initiatives previously approved by the SFWG in past reports, rather than delving into sector-specific activities or several new priorities.

To ensure the effectiveness of these efforts, it will be key for Brazil to assist the SFWG to establish a framework for monitoring past commitments made under the SFWG. This approach would prevent a perpetual cycle of G20 intentions with limited real-world impact. Brazil should actively engage the SFWG to assess the progress made by both public and private sectors concerning commitments related to investments supporting the climate transition. Additionally, Brazil should underscore the imperative for G20 member countries to accelerate the execution of the Sustainable Finance Roadmap.

New initiatives should build previous experiences and focus on improving the flow of funds in emerging countries, such as (i) the improvement related to the access and efficiency of international climate funds; (ii) case studies regarding financial solutions and blended finance to scale up sustainable investment; (iii) domestic experiences and lessons learned from G20 regulators and stakeholders in implementing climate risk disclosure that could be shared and replicated; and (iv) how to tackle financial solutions to high investments priorities relating to the climate crisis, including response to natural disasters and adaptation.

In its role as the leader of the G20, Brazil can play a proactive role within the SFWG by advocating for policies that promote responsible investments and incorporate climate considerations into financial decision-making.

These initiatives, while benefiting developing countries, also aim to create a framework for expanding sustainable financing in these regions. The advancements in the SFWG would benefit from the adoption of an implementation roadmap that can be endorsed by other developing countries, leading to support of continuity of an implementation trajectory by 2025 during South Africa's G20 Presidency and aligned to the necessary ambition at UNFCCC COP30 in Brazil.

3. The proposal is not final and is subject to ongoing interactions within the SFWG.

Below, there is a list of potential actions that can be followed up upon by the SFWG under Brazil's G20 Presidency, considering the agenda implementation of already existing initiatives as well as new themes Brazil is bringing to the table.

- **Roadmap.** Following the recommendation made by India's G20 Presidency in the concluding edition of the Sustainable Finance Report, there is an imperative to enhance the Sustainable Finance Roadmap and explore new mechanisms for monitoring its advancement. The Brazilian Presidency can help to set forward the process for a comprehensive evaluation of the existing state of sustainable finance regulation within G20 member countries, encompassing the thematic domains outlined within the five focus areas specified in the roadmap, and considering in particular the experiences of different governments in the implementation of the regulation per se and lessons learned or best practices to be considered. A study may be organized into regional chapters, each developed by institutions from their respective regions and looking at different aspects of financial regulation (such as disclosures, support to development of financial solutions) and highlight the domestic experiences.
- **Technical Assistance Action Plan.** The Brazilian Presidency can support the thinking on how to strengthen the TAAP, including the review, monitoring and improvement of the TAAP and potential mobilization of the implementation of its recommendations by international organizations. The Brazilian Presidency can, in this sense, support organization of capacity building convenings in a back-to-back basis with SFWG meetings, to promote the exchange of knowledge, information and best practices on sustainable finance among private sector actors, public authorities, research and academic institutions, NGOs and industrial associations, to connect and develop higher quality content for global usage. This process could result in concrete suggestions for a roadmap for the implementation of the nine steps, from short to medium term, of recommended actions listed in the TAAP.
- **Developing a Space to Assess, Test and Scale Blended Finance and Innovative Financial Solutions.** The process of the G20 can be used to assess case studies and examples of use of blended finance and financial innovation to support climate action, and develop an implementation guidance, as suggested under the *G20 Blended Finance Principles and OCDE* blended finance paper (at the request of the Indo-

nesian G20 Presidency), aiming at identifying concrete actions to catalyze blended finance investments.

In this context, the Brazilian Presidency has included as new topics for the SFWG the analysis of case studies on how blended finance and financial solutions can be used for scaling up Nature-Based-Solutions (NBS). Given its special circumstance as a country with a tropical forest and mega biodiversity, it is expected and desirable that Brazil also plays a role in bringing up the topic of finance and NBS and/or related issues. A good outcome can be presenting scalable business and cooperation models for forest restoration and sustainable forest management, encompassing both public concessions and private areas. The outcome can be identifying financial frameworks to unlock these ventures, exploring various alternatives, including guarantee structures based on the future generation of carbon credits, non-repayable resources such as bridge loans until project financial completion, and guarantee fund structures with blended finance instruments.

The initiative can also present case analysis of existing innovative financing transactions in G20 countries, such as Brazil, Indonesia, South Africa, and other countries in the African Union.

The work can also open space for an ongoing effort within the G20, considering in general (i) main priority sectors that need to be fostered by blended finance instruments within the context of G20 countries; (ii) regulatory challenges to public actors or catalytic capital providers to structure innovative blended finance transactions; (iii) key examples of transactions that may be replicated in different jurisdictions to drive private sector investments, such as the vehicle launched in COP27 by Rwanda (Kagina 2022); (iv) capacity building initiatives to support and gather new actors to the agenda and to develop a pipeline of bankable projects; (v) a roadmap with clear and concrete actions that G20 member States, MDBs and relevant other international organizations (IOs) can take to unlock private finance investments through blended finance tools; (vi) list the existing initiatives to monitor, report and evaluate the global development of blended finance transactions in G20 countries, and an interconnection among them.

Due to its history of public engagement during big international events and the already announced willingness to broaden participation from other stakeholders during its Presidency, the Brazilian government can

propose innovative dialogue with private sector and representatives of public, MDBs and IOs institutions to a broad discussion and identification of challenges and opportunities to tackle the gap of blended finance investments in G20 countries. The meetings could gather the Global Blended Finance Alliance (launched by Indonesia's G20 Presidency), OECD, and other key institutions involved in global blended finance discussions. The outcomes of the meetings may also integrate a stocktake report.

- **Improving Access and Performance of the International Climate Funds.** The 2024 SFWG will focus on a review about the performance of the different funds with regards to access to their resources. In the context of accessing international climate funds, emerging countries face a series of intricate challenges. Furthermore, the lengthy accreditation, project application, approval and disbursements processes can be both time-consuming and resource-intensive, potentially delaying responses to climate-related crises or opportunities.

The resulting analysis will not only shed light on these barriers but also present a comprehensive roadmap of practical recommendations. These recommendations will encompass both regulatory changes within the international climate funds and internal policy adjustments. By facilitating the removal of these obstacles and fostering a more inclusive and streamlined process, the study aims to empower institutions in emerging countries to better leverage international climate funds and accelerate their efforts in addressing climate change.

- **Rethinking Financial Responses to Increased Climate Related Disasters and Adaptation.** While the SFWG made an important impact in developing frameworks for financial systems to analyze and disclose their exposure to climatic risks, the SFWG has not so far discussed how to also channel and develop financial solutions to support investments in adaptative capacity, resiliency and responses to the increasing number and intensity of climate disasters. In this context, while not yet in the agenda of the group, expectations will grow for the G20 to establish a dialogue with financial institutions, insurers, public banks, and public authorities to discuss the economic impacts of extreme weather events and the need to support climate adaptation and disaster responses, including with representatives from other G20 countries that have experienced or are at risk of being affected by climate events.

CONCLUSION

In assuming the G20 Presidency, Brazil stands at the forefront of global efforts to combat climate change and promote sustainable development. With a clear mandate centered on *Building a fair world and a sustainable planet*, Brazil is poised to lead discussions on critical issues such as social inclusion, hunger alleviation, energy transition, and sustainable development. The Presidency's core priorities reflect Brazil's commitment to addressing pressing global challenges in a collaborative and inclusive manner.

At the heart of the climate-action agenda lies the imperative to bolster climate finance and investments, for both mitigation and adaptation. The estimated cost of achieving carbon neutrality by 2030 highlights the urgent need for significant financial resources. Despite this, emerging economies have been receiving less than a quarter of the required investment to combat climate change. Brazil's dedication to advancing sustainable finance within the G20 framework underscores its potential to address this funding gap and drive global progress towards a more resilient, inclusive, and sustainable future.

Building on the foundation laid by previous Presidencies, Brazil has a unique opportunity to drive meaningful change within the Sustainable Finance Working Group. By focusing on a select set of practical objectives and prioritizing the implementation of past initiatives, Brazil can ensure that its leadership has a tangible impact. Moreover, by championing initiatives that facilitate access to international climate funds and promote NBS, Brazil can not only drive progress in emerging economies, but also set an example for sustainable development on a global scale.

The Brazilian Presidency also has the opportunity to align the Sherpa and Finance tracks, based on what has already been built by previous Presidencies, and leave as a legacy a map of implementation of such initiatives. Brazil is also in a very relevant position for outcomes that align the need to tackle climate change with the need to tackle poverty and hunger, given that they are intrinsically related agendas. This would be a legacy to be continued by the South African Presidency, which will end the cycle of four consecutive years of G20 Presidency under developing countries.

The Brazilian society, through think tanks, NGOs, universities, philanthropy and the private sector, must also be recognized for its maturity and ability to present good public policy proposals and political guidelines from the G20. Therefore, the Presidency in its two tracks must carefully consider the recommendations of Engagement Groups, as well as provide innovative forms of social participation

that will also remain as a legacy of Brazil—not only for Brazilian organizations, but for the international community.

In conclusion, Brazil's G20 Presidency holds immense promise for advancing sustainable finance, combating climate change, and fostering global cooperation. Through strategic and targeted initiatives, Brazil can leave a legacy in the fight against climate change, demonstrating that meaningful progress is achievable when nations work together with purpose and determination. 🇧🇷

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Bretton Woods 2.0 and a New Marshall Plan? Brazil's G20 Presidency and Reform of the International Financial Architecture

Michael Jacobs

Abstract: The year 2024 marks the 80th anniversary of the Bretton Woods Conference, which created the World Bank, the International Monetary Fund (IMF), and the postwar economic order. This article argues that it is time for fundamental reform of the international financial architecture to enable the expansion and improvement in finance flows for sustainable development in the Global South, encompassing reform of the multilateral development banks (MDBs) and IMF, and new arrangements for debt, international taxation, carbon and nature markets and the mobilization of private capital. As Presidency of the G20 this year, Brazil has the opportunity to drive this agenda.

Keywords: G20; sustainable development; climate finance; World Bank; MDBs; IMF.

A SIGNIFICANT ANNIVERSARY

Eighty years ago, in July 1944, the soon-to-be-victors of the Second World War gathered in a small town in the Northeast of the United States to redesign the global economic architecture. Forty-four countries sent representatives to the Bretton Woods Conference, but in practice it was dominated by just two of them: the British delegation was led by the brilliant economist John Maynard Keynes, whose ideas had already revolutionized economic policy thinking; the Americans, by a wily Treasury official, Harry Dexter White. Together their vision shaped the postwar economic order.

The Bretton Woods Conference had one overarching purpose: to ensure that the global economy never again experienced a period as devastating as the one which had just ended. Post-First World War reparations had contributed to hyperinflation in Germany and the rise of the Nazis; the Wall Street Crash in the U.S. led to the Great Depression and mass unemployment throughout the developed world; competitive currency devaluations had resulted in a trade war and widespread economic losses. For Keynes and White the solution was imperative: only multilateral economic cooperation could ensure that all countries were able to achieve full employment and social wellbeing at home with stable exchange rates and financial flows abroad.

The Bretton Woods Conference famously created two new international institutions, the International Bank for Reconstruction and Development, which subsequently became known as the World Bank, and the International Monetary Fund (IMF). The Bank's aim was to help countries' postwar recovery, financing investment and providing technical assistance for economic development. The Fund's objective was to maintain currency and financial stability: holding exchange rates within a predictable band, reducing barriers to trade and capital flows, and intervening directly if countries fell into system-threatening financial trouble. Four years later the U.S. established the Marshall Plan to further support economic recovery in Western Europe: a total of US\$ 13.3 billion in aid and lending over just four years, equivalent to a staggering US\$ 173 billion today.

Eighty years on from the Bretton Woods Conference, the global economy looks very different. In 1944 the U.S. produced more than half of the world's

Michael Jacobs is Professor of Political Economy at the University of Sheffield, UK, and Senior Visiting Fellow at ODI, a global think tank headquartered in London (formerly known as the Overseas Development Institute). He was Special Adviser on Climate, Environment and Energy to the British Chancellor of the Exchequer and Prime Minister Gordon Brown from 2004 to 2010.

manufactured output. Today it is 16%. International trade represented less than 20% of global GDP; today it is over 50%. China has grown from a largely feudal rural economy to an industrial powerhouse dominating global commodity and manufacturing production. In 1944 Brazil didn't grow any soybeans; today it is the world's largest producer.

Yet there are also similarities. As in 1944, the world today is seeking to recover from a series of major shocks. The Covid-19 pandemic of 2020-22 was followed by a huge spike in energy and food prices after the Russian invasion of Ukraine. The subsequent rise in the dollar as the U.S. sought to deal with inflation has left countries facing a flight of foreign capital and unsustainable debt. And an accelerating crisis of global warming, nature depletion and air and ocean pollution has generated new fragilities. Climate change and conflict are leading to migration and rising political tension almost everywhere.

As in 1944, the world is geopolitically divided. Then, the U.S. and the Western world were on the verge of cold war conflict with the Soviet Union and China. Today, the U.S. and the Western world are in a post-cold war conflict with Russia, and tensions with China have been rising. But today there are other major powers on the scene as well. The European Union is a powerful and independent part of the Western world not wholly tied to the U.S. India, Brazil and the Gulf States each now play an independent role in global affairs. Where once it was the British Empire, whose trading and political networks among African and Asian countries dominated the diplomacy of the developing world, today it is China, whose huge Belt and Road investments have given it political and financial leverage.

As we approach the 80th anniversary of the Bretton Woods agreement, the parallels suggest an obvious conclusion. The time is ripe for a fresh agreement on mul-

The Bretton Woods Conference had one overarching purpose: to ensure that the global economy never again experienced a period as devastating as the one which had just ended. (...) [And] famously created two new international institutions, the International Bank for Reconstruction and Development, which subsequently became known as the World Bank, and the International Monetary Fund (IMF).

tilateral economic cooperation. Deep global problems, huge unmet social and humanitarian needs, a shifting geopolitical landscape: there is a strong case for a “Bretton Woods 2.0” and a “New Marshall Plan” fit for today’s world.

In these circumstances, it is fortuitous that Brazil holds the key global leadership position in 2024 as presidency of the G20. While the G20 cannot in itself reform the Bretton Woods institutions or the wider global financial architecture, it is the key multilateral forum in which this can be discussed and agreed. Brazil assumes its leadership under a President anxious not just to put the country back on the world stage, but to use the country’s global leadership status to advance the cause of sustainable and equitable global economic development.

THE GEOPOLITICS

Is a new international economic agreement possible? Rising diplomatic tension over recent years has made multilateral governance more difficult in many ways. But it has also created opportunities. Both the U.S. and EU have now embarked on a new economic and geopolitical mission. Their economic goal is decarbonization through industrial strategy: reducing their greenhouse gas emissions while building new green sectors for employment and growth. The geopolitical goal is to reduce their supply chain dependence on China, and to counter their political influence in Africa, Latin America and Asia.

There has been a lot of international commentary about the effective “protectionism” embodied in the U.S. Inflation Reduction Act (Tucker 2023), which offers

As we approach the 80th anniversary of the Bretton Woods agreement, the parallels suggest an obvious conclusion. The time is ripe for a fresh agreement on multilateral economic cooperation. Deep global problems, huge unmet social and humanitarian needs, a shifting geopolitical landscape: there is a strong case for a “Bretton Woods 2.0” and a “New Marshall Plan” fit for today’s world. (...) While the G20 cannot in itself reform the Bretton Woods institutions or the wider global financial architecture, it is the key multilateral forum in which this can be discussed and agreed.

major subsidies to green industries and products, but only if they are mainly manufactured in the U.S. Developing countries have been rightly concerned that this will penalize their exports. The introduction of the Carbon Border Adjustment Mechanism (CBAM) (EU 2023) in the EU, under which high-carbon imports in key sectors will be taxed, has equally raised alarm (Ülgen 2023).

But there is another side to this. Neither the U.S. nor the EU can build green industries from purely domestic resources. Their new manufacturing sectors need global supply chains. The most obvious need is for critical minerals such as copper, lithium, nickel, cobalt and rare earth elements, key components of renewable energy systems, batteries and electronics. But the need goes well beyond these: it includes green steel, cement, hydrogen, timber, plastics, chemicals and manufactured components. This has given the U.S. and EU new and powerful reasons to develop trade and investment partnerships with emerging and developing economies (EMDEs). And many of those countries have noticed. Today the majority of minerals mined in Africa are shipped to China for refining. Already a number of African countries are seeking Western support to build their own refining and manufacturing capacity.

Is a new international economic agreement possible? Rising diplomatic tension over recent years has made multilateral governance more difficult in many ways. But it has also created opportunities.

Indeed, some are clearly playing off this newfound Western interest against continuing Chinese trading relationships. As President William Ruto (2022) of Kenya has pointed out, for the first time in many decades, the world now needs Africa, and Africa is not going to let the opportunity pass.

This newfound sense of agency has been accompanied by much more vocal criticism of the Global North by leaders from the South. There has been open and justified anger at the failure to keep past financial promises, such as the target to raise the level of overseas development assistance (ODA) to 0.7% of national income, and to provide US\$100 billion in climate finance; at the hoarding of Covid vaccines and the failure adequately to finance the Pandemic Fund; at the global economic impact of the Russian invasion of Ukraine and the sanctions which have followed it; and at the West's apparently unlimited ability to provide resources to Ukraine and Israel but unwillingness to increase development assistance or offer debt relief to the poorest countries even in the face of increasing debt distress, poverty and hunger. Presidents Lula and Ruto have become leading global spokespeople for this widespread view.

None of this has yet resulted in any significant addition to the resources which high-income countries are making available. Inflation, fiscal constraints and the widespread voter support now being given to far right political parties have made this a very difficult time for progressives in domestic politics. But there is no doubt that, among the more outward-focused leaders, there is a recognition that the West's geopolitical security, economic interests and moral obligations are converging—and that action will have to follow.

And time is short. President Biden will only certainly be in office till January 2025. Presidents Scholz of Germany and Macron of France next face elections in October 2025 and April 2027. Though the EU has elections in June 2024, Commission President von der Leyen will most probably be re-elected if she stands again, and the EU's stance is unlikely to significantly change even if she does not. The UK is likely to have a Labor government by October 2024, joining Canada and Australia among the other G20 members with broadly progressive administrations.

None of this makes significant reform of the international financial architecture easy, let alone likely. The obstacles to be overcome remain huge. But it does provide reasons to think that the next two years offer a rare opportunity to make progress.

MOMENTUM

Indeed, the process has already started. Over the past two years, a number of new international initiatives have sought to galvanize reform. They have different emphases, but each seeks to increase the scale and quality of finance flowing to the Global South for sustainable development. A number also seeks to change the way the major institutions—particularly the World Bank and the IMF—are run.

Perhaps surprisingly, this wave of reform efforts was kicked off by one of the smallest countries in the world. The Prime Minister of Caribbean island Barbados (population 281,000), Mia Amor Mottley, took the 2021 UN climate conference by storm when she called for a US\$ 650 billion annual issuance of Special Drawing Rights, the reserve currency of the IMF, to help developing countries recover from Covid and tackle climate change. Over the subsequent year, she developed her proposals into the Bridgetown Initiative (Barbados 2022), extending beyond SDRs to demands for greater lending by the Multilateral Development Banks (MDBs), enabling climate-vulnerable countries to access World Bank and IMF finance, and the introduction of “catastrophe resilience clauses” in sovereign debt contracts, allowing countries to stop debt repayments for two years when struck by a natural disaster or pandemic.

Mottley's charismatic presence on the global stage saw her ideas picked up by a range of countries and civil society organizations. In December 2022, French President Emmanuel Macron announced that he would host a leaders' meeting to take them forward. The *Summit for a New Global Financing Pact* (Pacte de Paris 2023) in Paris, in June 2023, brought together a wide agenda of reform proposals. Chief among them was an "evolutionary roadmap" (United States 2022) for reform of the World Bank, now being vigorously promoted by the Biden Administration in the U.S. (Yellen 2022). Under its new President Ajay Banga, the U.S. wants the Bank to become more effective, to borrow more from its existing resources and to better promote climate-compatible development in the Global South.

Other countries took up the theme. The V20, a grouping of 68 of the world's most vulnerable countries, published an Accra-Marrakech Agenda setting out a wide-ranging series of reforms to international financing mechanisms (V20 2023). Sixteen indebted countries formed the Sustainable Debt Coalition¹ to draw attention to unsustainable debt and promote more effective arrangements. The Africa Climate Summit in September 2023 issued the Nairobi Declaration (African Union 2023), calling for a new "climate-positive" growth model for Africa, for which the African Union would seek investment support from developed and emerging economies and the global private sector (2023). Meanwhile four *Just Energy Transition Partnerships* (JET-Ps) had already been announced, in which the governments of South Africa, Indonesia, Vietnam and Senegal would receive investment support from Western donor countries, MDBs and the private sector to shift from coal to renewables (IDDRI 2023). Over at the UN climate negotiations, COP27 in December 2022 saw agreement on the creation of a new Loss and Damage Fund, though no one was yet ready to put any money in it (UNCC 2022).

How much money is needed? A recent report for the G20 estimates that around US\$ 3 trillion of additional spending is needed per year in emerging and developing economies (other than China) by 2030 to meet the sustainable development goals (G20 India 2023). Of this, US\$ 1.8 trillion represents additional investments in climate action (a four-fold increase in adaptation, resilience and mitigation compared to 2019, mostly in sustainable infrastructure), with US\$ 1.2 trillion in additional spending to attain other SDGs (including a 75% increase in health and education). Most of this will have to be raised domestically in EMDEs, mobilizing savings and taxation. But around US\$ 1 trillion a year will need to be in the form of external public and private financial flows.

1. See: <https://sustainabledebtcoalition.org/>

So this is the goal around which reform efforts are now gathering: a conveniently memorable number. US\$ 1 trillion in additional international financial flows is a lot, but it equates to just 1% of global GDP.

THE AGENDA

The agenda for international financial architecture reform that has emerged over the last two years has many different components, but they essentially divide into six. These represent, in effect, six sources of additional finance and the institutional changes that will be needed to generate them.

1) The first and most developed—due to U.S. backing—is reform of the multilateral development banks. For President Biden, funds provided to the World Bank and regional MDBs offer both the most likely means of gaining support in Congress (which he needs for almost all expenditure commitments) and the best value for money: MDBs can leverage a dollar of capital up to ten times by borrowing on the back of it in the international markets.

MDB reform now has a bible. This comes in the form of the two reports of the Independent Experts Group on Strengthening Multilateral Development Banks (G20 India 2023) commissioned by the government of India under its 2023 G20 Presidency and chaired by Indian economist N. K. Singh and former U.S. Treasury Secretary Larry Summers.

The reports call for a tripling of MDB lending by 2030. This would be funded by a general capital increase, an increase in overseas development assistance channeled through the banks, the more effective use of balance sheets, and the use of government guarantees. At the same time, the reports argue, the MDBs should become more efficient and effective. They should impose fewer social and environmental conditions on borrower countries, they should focus more on impact than simply the volume of lending, and they should cooperate more in individual countries. Greater total lending capacity will enable them to provide more for climate action while not reducing their commitments to poverty reduction.

This agenda—for both “bigger” and “better” MDBs—has not yet been fully accepted by the major developed country shareholders of the World Bank or other MDBs. To put it simply, they want to see the MDBs become better before they are willing to make them bigger. But President Biden would not have appointed Summers to co-chair the expert group if he had not been prepared to put U.S. money—if he can get it through Congress—behind his recommendations. The UK has already announced it is prepared to contribute to a capital increase

if the World Bank makes sufficient progress with reform. Privately, France and Germany have said the same.

If MDB reform focuses on one of the institutions created at Bretton Woods, the second item on the international finance reform agenda concerns the other. The IMF, which has long been attacked for imposing free market or “Washington consensus” reforms on its loan recipients, is now facing criticism for making it too difficult for many poorer countries to access its money. A new facility, the Resilience and Sustainability Trust (RST), has been created to provide assistance to climate-vulnerable countries, and has so far attracted over US\$ 40 billion in donor funding. But it has so far disbursed very little cash, because the IMF insists that recipient countries rein back their public spending and accept new and often onerous conditionalities (Miller, Pudussery & Rosenfeld 2023).

The RST is funded from the last issuance of Special Drawing Rights (SDRs), which the IMF made during the Covid-19 pandemic. The package was very large: US\$ 650 billion worth of new reserves. Yet under the IMF’s rules, SDRs go to countries in proportion to their shareholdings. So the largest economies of the G20, which needed them the least, got US\$ 500 billion between them, while the whole of Africa, which needed them the most, got just US\$ 33 billion, or 5%. In 2021 the G20 agreed to “rechannel” a total of US\$ 100 billion for development lending. But this figure has still not been reached, and even when provided back to the IMF, very little has actually yet been delivered to any least developed country. So the original call from Barbados’s Prime Minister Mottley is being revived. The IMF, it is argued, should issue a new round of SDRs, and this time they should be specifically for low and middle-income countries. Only this, it is argued, can provide the level of financial resources matching the scale of need.

2) Unsurprisingly, the World Bank and the IMF are the focus for much of the financial reform effort. But as yet little of this has sought to remedy what many would regard as their main deficiency—namely that they are still controlled by the post-colonial powers that created them eighty years ago. President Lula has made it clear that he wants the governance of these institutions, not just their size and effectiveness, to change (as well as “bigger” and “better,” it might be said, he wants them “broader”). Put simply, he wants the emerging and developing economies to have a greater say in how the World Bank and the IMF are run. It will shock no one to hear that the U.S. and the other G7 powers are very reluctant to concede any power—not least because it is China (already a major financial contributor to both institutions) which would be the main beneficiary. But with Brazil and South Africa holding successive Brazilian G20 Presidencies, and the African Union now a full member too, the clamor for reform is only going to grow louder.

3) The third item on the agenda is debt. As U.S. interest rates have risen over the last two years, many countries have found their debt becoming unsustainable. The IMF estimates that 60% of low-income countries, and 25% of middle-income countries, are now in or at risk of “debt distress,” meaning that they are unable to meet their debt commitments. Many are now paying far more in debt repayments than they are spending on health and education. Sri Lanka and Ghana have already defaulted. It is feared that the next two years will see others do so.

The G20 has established a “Common Framework” for dealing with debt distress, under which all creditors—including governments, MDBs and private finance interests—can agree restructuring packages, under the guidance of the IMF. But, where it has been used (such as in Zambia over the last year), the Framework has proved very cumbersome and slow, and few countries now want to enter into its complicated processes. So there are calls for reform. At the same time proposals have been made for new ways of arranging debt which would help entrench sustainable development strategies. “Sustainability-linked” bonds, for example, tie repayments to the achievement of climate and environmental policy goals: if the government does not achieve these, the creditors get a higher yield. Uruguay has already issued such a bond, and others are following suit. Elsewhere debt is being “swapped” in return for commitments to protect nature: Ecuador recently did such a deal, exchanging US\$ 1.6 billion in debt into a commitment to spend at least US\$ 12 million a year on wildlife conservation efforts in the Galapagos islands. An Expert Review established by Colombia, Kenya, France and Germany is now exploring the wider possibilities of linking debt to stronger climate and nature policy.

4) Fourth, there are new efforts underway to mobilize private sector capital. This has always been something of a holy grail in this field: everyone knows that the sums provided by developed-country governments—even if they deliver what they promise—will never be enough to finance the scale of sustainable development needed. For some years now the mantra has been that the world needs to move “from billions to trillions” in investment dollars—which in turn means mobilizing large-scale private flows. But getting the international finance sector to invest in emerging and developing economies has proved very difficult. Across their portfolios, the MDBs have leveraged just 70 cents on every dollar they lend (Attridge & Gouett 2021). Where what is needed is for the private sector to come in with multiples of the MDBs’ own lending, in fact it is just a fraction.

Various efforts are now under way to try to change this. World Bank President Banga has launched a Private Sector Investment Lab of finance business leaders to examine the barriers to greater investment in emerging markets and how they can be overcome (World Bank 2023). Chaired by Mark Carney, for-

mer Governor of the Bank of England, and Shriti Vadera, chair of global insurance company Prudential, the initiative will look at a wide range of issues, from financial regulation in developed economies to the shortage of investment-grade projects. A key focus will be on the high cost of capital in emerging market economies—often three times that of developed economies—and methods of reducing it. It's clear that there isn't a single reason why—outside a few major emerging market economies and sectors—the money doesn't flow at sufficient scale; and therefore no “silver bullet” policy solution which will get it to do so. But it is equally clear that unless some meaningful measures can be put in place, the financial reform agenda will never reach the scale of lending required.

5) The fifth item on the agenda is tax. If countries are finding it difficult to spend more from existing public revenues, are there any new sources of revenue they could tap? There is a range of different proposals in this field. Some focus on new international taxes. The International Maritime Organization, for example, is examining an emissions levy on the shipping sector, on what are currently untaxed fossil fuels. European countries and small island States have proposed that some of the revenues from such a levy could be used to finance climate adaptation and loss and damage. But the levy idea is rejected by most of the world's larger economies, including Brazil, and looks unlikely to succeed. A related proposal to tax aviation emissions—another untaxed use of fossil fuels—has made even less progress. Other international tax proposals include a windfall levy on oil and gas sector revenues, and a levy on financial transactions. But none seem to have sufficient support among the countries where they would mainly need to be levied.

A different focus is on taxing multinational companies better—particularly the giant digital platform companies (such as Google, Meta, and Amazon), and the many global corporations which move their accounting profits between jurisdictions to minimize their overall tax bill. The OECD has made some progress in this field on behalf of the high-income countries; but many emerging and developing markets remain angry at how little tax the multinationals pay, particularly when operating in their territories. They are now pushing for the issue to be moved into the United Nations rather than the OECD, which would give them a greater say over this policy field.

6) The sixth and final area of financial architecture reform is that of nature and carbon markets. These are the mechanisms under which developing countries “sell” nature conservation and carbon saving measures to countries or companies in the Global North which wish to contribute to emissions reduction and biodiversity protection. This is a highly controversial field. There is no doubt that significant finance could flow through the development of such markets: there is

a lot of nature to be conserved and carbon to be saved in the Global South, and a lot of demand for relatively cheap climate action in the North. But there are also severe doubts whether any system can be established with enough environmental and social integrity to be acceptable. How can current conservation or carbon saving be guaranteed into the future? Do such markets mean selling indigenous peoples' rights? These and other questions have dogged the UN climate talks, which have been unable for over a decade to reach agreement on the role of carbon markets and if and when they should be allowed under the international regime. But efforts continue to define a “gold standard” which might allow regulated nature and carbon markets a role in the future.

BRAZIL'S G20 PRESIDENCY

Discussion in these six areas of financial architecture reform is occurring at different speeds and with varying levels of commitment by different countries. Some have obvious institutional “homes”—notably for MDB and IMF reform. In others—such as taxes and nature and carbon markets—part of the dispute is over where the issue should be housed. But increasingly it is being accepted that the whole agenda needs to be considered together, as part of an overall reform effort aimed at increasing and improving the financial flows for sustainable development in the Global South.

And in this process the G20 Presidency has a critical role to play. Of all the world's international forums, it is only in the G20 that the whole financial agenda can be considered. Brazil's task, then, is two-fold, matching the two tracks of the G20 process.

The Finance Track is where most of the detailed work in the G20 occurs. Finance Ministers meet several times during the year, agreeing incremental reforms in a variety of areas. Finance Minister Fernando Haddad has set out the fields on which Brazil wishes to make progress, and they cover five of the issues

[The financial architecture reform] whole agenda needs to be considered together, as part of an overall reform effort aimed at increasing and improving the financial flows for sustainable development in the Global South. And in this process the G20 Presidency has a critical role to play. Of all the world's international forums, it is only in the G20 that the whole financial agenda can be considered.

above: MDB reform, IMF reform, debt, tax and private sector mobilization (Brazil sees carbon markets as the preserve of the UNFCCC). The Finance Ministry is now working with other countries to identify the tangible progress they can make in each.

But the Leaders' Track is where the larger vision can be articulated. The G20 heads of State and government will meet in Rio in November. Lula will command the stage. From it, he has the opportunity to demand a new global compact for sustainable development, a historic redesign of the international financial architecture capable of mobilizing US\$ 1 trillion a year for people and the planet. Such a compact will not be finalized in 2024. But the plan could be set in train.

Call it Bretton Woods 2.0, or a New Marshall Plan. Or maybe the Rio Agreement. Whatever the label, there is a huge prize within reach. ■

London, November 17, 2023

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Rising Roles for Emerging Economies in G20¹

Mike Liu

Abstract: It is imperative to appreciate and reflect on the fresh perspectives proposed by emerging economies in their increasingly elevated roles in driving G20 agendas and collectively defining the paths forward in achieving the group's missions without diluting inclusiveness, transparency, and accountability. The past two G20 Summits provided suitable lessons for all members that emerging economies can play a vital role in global governance to solve complex global challenges.

Keywords: G20; emerging economies; global governance; global economics cooperation.

1. Edited by Joshua Dominick, Senior Editor at the Center for China and Globalization.

HOW THE G20 WAS CONCEPTUALIZED

Composed of members that include the Group of Seven (G7), the G20 is an intergovernmental political forum designed for frank and open discussions among leaders, ministers, and policy-makers to achieve consensus in addressing global challenges. Originating from an *ad hoc* gathering of Finance Ministers in 1973, the G7 is a formal, high-profile venue for discussing and coordinating solutions to major global issues, especially in the areas of trade, security, economics, and climate change (LeBlanc 2021). In 1997, 24 years after its founding, some global challenges such as breakdowns in the global financial system and global health crisis caused G7 members to recognize the need to bridge the gaps of communications between mature and emerging economies to tackle these issues.

On 27 October 1997, global stock markets crashed and the Dow Jones Industrial Average dropped 7.18% in a single day, which has been ranked as the 18th biggest percentage loss since the Dow's creation in 1896. The crash started overnight in Asia as Hong Kong's Hang Seng Index fell 6%, which created a chain reaction in Japanese and European stock markets, ultimately impacting the Dow Jones. Another global threat was triggered by the outbreak of a high-pathogenic avian flu (H5N1) in Hong Kong which became a serious threat to public health and resulted in the elimination of 1.25 million chickens in a complete depopulation of all poultry markets and chicken farms in Hong Kong in December (Sims et al. 2003).

On 1 July 1997, Hong Kong returned to China after a century and a half of British colonial rule, marking the beginning of the new model of governance known as “one country, two systems” in Hong Kong to ensure its continued stability and prosperity.

These three notable events highlight the global challenges facing global financial systems, global health, and regional governance. The discussions to develop cohesive actions among G7 member States in response to the changes have not been very effective. Concerns over emerging global challenges and how to react towards emerging issues highlight the process of reassessing the roles and limitations of G7. Two key stakeholders, Paul Martin (then Prime Minister of Canada) and Larry Summers (U.S. deputy Treasury Secretary) realized the need to form a parallel informal group of countries that included major regional economies from each region of the world in 1999 (Swaniti 2022). This resulted in the formation of the G20 as a platform to promote dialogue between mature and emerging economies.

Mike Liu is Vice President and Senior Fellow of the Center for China and Globalization.

The G20 was established to promote international economic cooperation and decision-making following the Asian financial crisis where Finance Ministers and Central Bank governors from the major world economies discussed global financial issues. This was the first time that the G20 emerged as an inclusive global platform of dialogues between mature and major emerging economies to discuss critical global economic concerns. The G20 included distinct roles to promote collective efforts in economic cooperation and mitigate the world challenges. It is not designed to either replace the G7 platform or dilute the general interests of economic cooperation within G20 member States. More fresh ideas and efforts from emerging economies have made and will continue to make the G20 more effective in realigning global focus and resources to address world challenges.

While both the G7 and G20 are important international forums that deal with global challenges and governance issues, the G20 has a broader membership and is seen as an inclusive international forum to discuss global economic issues. The G20 has also been more effective in responding to global economic crises. However, the G20 also needs to update its membership and broaden its mandates to succeed where the G7 has failed (Fokuo & Ochieng 2018). Given the diversity and experience of emerging economies in driving G20 agendas, this study will focus on past two G20 Presidencies in Indonesia and India to zoom in some learnings with reference to what values emerging economies can bring to G20 forums to effectively address those global challenges.

More fresh ideas and efforts from emerging economies have made and will continue to make the G20 more effective in realigning global focus and resources to address world challenges.

ELEVATING ROLES FOR EMERGING ECONOMIES IN G20

Emerging economies have contributed significantly to the growth of the world economy over the past two decades. According to the data from the World Bank group, the collective share of global GDP from the newly expanded BRICS+ group rose from 10.5% in 2000 to 29.0% in 2022. Compared with the combined GDP of G7 members, BRICS+ group has significantly increased its relative proportion of GDP versus G7 countries, from 16.1% in 2000 to 66.6% in 2022. During the same period, Brazil's economy grew 293%, China grew 1,483% and India increased 723% (World Bank 2023).

Conventionally, emerging economies do not have much of a say in global issues due to their limited involvement and weak positions in global economic governance. Emerging economies have the tendency to focus on their domestic development, which have delivered very impressive results over the past two decades. China became the world's second largest economy since 2010, and between 2010 and 2022 China has elevated 800 million people out of extreme poverty (World Bank 2022). India has demonstrated very strong growth in the last two years, and India is in the leading position in 2023 in terms of GDP growth. Indonesia, as the largest economy in Southeast Asia, is a diverse archipelago nation of more than 300 ethnic groups. Indonesia has charted impressive economic growth since overcoming the Asian financial crisis of the late 1990s. Indonesia has become the world's fourth most populous nation and 10th largest economy in terms of purchasing power parity. Furthermore, Indonesia has made enormous gains in poverty reduction, cutting the poverty rate by more than half, since 1999, to under 10% in 2019 before the COVID-19 pandemic hit.

Emerging economies have been doing well in terms of domestic economic development, and these results have yet to enhance their positions on world economic issues. These economies are more vulnerable in international trade and cooperation when they attempt to explore more space to grow globally. They will or already have encountered some pushbacks from countries who have leveraged the trade barriers to restrict the free flow of goods or services between countries in recent years. The trade war between China and the U.S. has prompted China to realize that if China wants to protect its own economic interests internationally, it needs to actively participate in global economic governance. This learning also applies to other emerging economies.

With growing economic strength, emerging economies need to effectively participate in global governance along with mature economies to solve international trade issues. These economies have taken more stake in international institutions such as the World Trade Organization (WTO), International Monetary Fund (IMF) and G20, where their elevated roles are being appreciated in shaping global economic policies. While emerging economies may not have as much influence as mature economies in some aspects of global governance, their participation is critical to ensure that their interests are being considered.

With growing economic strength, emerging economies need to effectively participate in global governance along with mature economies to solve international trade issues.

OUTCOMES AND LEARNING OF THE G20 BALI SUMMIT 2022, INDONESIA

The G20 Bali Summit 2022, the 17th meeting of the G20, was held in Nusa Dua, Bali, Indonesia on 15-16 November 2022 (Cabinet Secretariat of The Republic of Indonesia 2020). It was the first in-person gathering for heads of State and international institutions to discuss the world's challenges since the 2021 G20 Summit in Rome, in the aftermath of the COVID-19 pandemic. The G20 Bali Summit was chaired by Indonesian President Joko Widodo (Jokowi), who hailed the two-day gathering as an opportunity “to build a healthier, more just, and a more sustainable order” (Hutt & Conley 2022).

Compared to the previous G20 Summit in Rome, the world had been more fragile and disconnected, mainly due to the conflict between Russia and Ukraine, global health concerns over COVID-19, geopolitical tensions and trade disputes between the U.S. and China. Indonesia had done a commendable job to secure the active participation of all key stakeholders in the Bali Summit during this turbulent time.

To accomplish the goals of G20, it was pivotal to set an agenda that was compelling for the heads of all member States to travel all the way to Bali to discuss the burning global issues. The #1 priority was to find a way to end the crisis between Russia and Ukraine. Knowing fully well the challenges in holding the G20 Bali Summit peacefully and successfully, President Jokowi was able to set the tones accurately with humanity in mind. In the official press statement shared by the Presidential Secretariat's YouTube channel on Friday 29 April 2022, President Jokowi articulated the major goals of the G20 Bali Summit by saying that “the G20 has a role as a catalyst in the recovery of the world economy. When we talk about the world economy, there are two factors affecting it today: the first is the COVID-19 pandemic and the second is the war in Ukraine” (Indonesia Expat 2022). President Jokowi was determined to leverage the opportunity of the G20 Bali Summit to call on the world to end the crisis in Ukraine. It was imperative to find the solutions in managing the wider differences as fueled by geopolitical tensions and those issues had caused the global surge of food and energy prices.

The Ukraine crisis directly affected the dynamics of the G20 international forum. United States President Joe Biden, Australian Prime Minister Scott Morrison, and Canadian Prime Minister Justin Trudeau were unwilling to share a table with Putin. After the Extraordinary NATO Summit at the end of March 2022, “Biden asked Indonesia not to invite Russia to the Summit of the G20 event and asked the Presidency to present Ukraine instead” (Indonesia Expat 2022).

Despite the pressure and concerns raised by the western counterparts, President Jokowi should be praised for taking a sensible and balanced approach in tackling these challenges. President Jokowi is a strong believer in how Indonesia should act in times of global crisis: “Indonesia wants to unite the G20, lest there be divisions. Peace and stability are the keys to the recovery and development of the world economy” (Indonesia Expat 2022).

President Jokowi made tremendous effort to call and travel to Ukraine and Russia respectively to meet with Ukrainian President Volodymyr Zelensky and Russian President Vladimir Putin separately. After obtaining a good understanding of the situation, President Jokowi decided to extend an invitation to both leaders to join the G20 Bali Summit in Indonesia. President Jokowi was the first Asian leader to visit both Russia and Ukraine as part of the effort to end the conflict.

Indonesia played a critical role with the hope of bridging the wider gaps between divided States to resume the dialogues in peace. These efforts required incredible courage and determination to explore the options available to ensure the G20 Summit remained a privileged platform for dialogues that are both inclusive and transparent.

When President Zelensky requested military supplies from Indonesia to support Ukraine, President Jokowi was very clear about where to draw the lines: “I emphasize that, in accordance with the mandate of the Indonesian constitution and the principle of Indonesian foreign affairs, it is prohibited to provide weapons assistance to other countries. However, I conveyed Indonesia’s readiness to provide humanitarian assistance” (Indonesia Expat 2022).

President Zelensky was invited to join the Summit, even though Ukraine was not a member of the G20. Zelensky was unable to present the Summit in person due to the ongoing conflict in Ukraine, so he made his address online. On the other side, Russian President Putin expressed his appreciation for the invitation and he sent the Minister of Foreign Affairs to attend the Summit representing Russia. The ability to bring both sides of the Ukraine crisis together to share the same stage was a great accomplishment of the G20 Bali Summit.

The G20 Bali Summit managed to pass a declaration deploring Russia’s aggression in Ukraine “in the strongest terms” and demanding its unconditional withdrawal. The member States also acknowledged the fact that while most members condemned the war in Ukraine, “there were other views and different assessments of the situation and sanctions” (Gopalakrishnan 2022). This was another major breakthrough as facilitated by President Jokowi. During the meetings of G20 ministers earlier in 2022, no joint declarations were made because of Russian oppo-

sition to reference to the war in Ukraine. During the G20 Bali Summit, participants said the statement was unanimously adopted. The summit's host, President Jokowi, said all had shown "flexibility" (Indonesia Expat 2022).

WHAT ARE SOME OTHER TAKEAWAYS FROM THE G20 BALI SUMMIT IN 2022?

In my opinion, the face-to-face meeting between Chinese President Xi Jinping and American President Joe Biden during the G20 Bali Summit had an enormous impact on addressing many global challenges. This was the first in-person meeting for President Xi after the 20th CPC national congress and Joe Biden in his second term as the President of the United States. The meeting was described as a candid and constructive one, and both sides elaborated respective positions on important bilateral issues and achieved the consensus on bilateral trade, global climate and reactivating the bilateral dialogues between the U.S. and China. With this consensus accomplished, it enables more bilateral exchanges between policy makers, academics, think tanks, even with military officials. Both leaders emphasized that decoupling would severely damage the economic recovery and there would be no winner in the race. Hence, "decoupling" is not an option. The new "cold war" is an outdated mindset that harms recovery efforts and negatively impacts the world economy and stability.

Another important progress out of the presidential meeting was that the U.S. Secretary of State Anthony Blinken announced his plan to visit China in early 2023. The China visit marks an ice-breaking move, because it is his first visit to China since he assumed the position, and it is also the highest-level U.S. official visit to China in more than four years.

Since then, the American Secretary of the Treasury, Secretary of Commerce, and the Presidential Envoy for Climate have visited China to discuss common challenges with their Chinese counterparts. We should not expect these engagements to immediately fix all outstanding issues between these two economic giants. The directions as set forth by both Presidents in Bali have been the guiding principles to enable both sides to bilaterally engage in talks. The progress has been slow with some constraints made by surrounding issues, but engagement is improving, compared to the past, when there were literally no communication channels open between two countries.

Following the recent crisis in Gaza, Chinese Foreign Minister Wang Yi talked with U.S. Secretary of State Anthony Blinken on the 14th of October to exchange their respective positions on the crisis. Though both sides are taking different routes

towards the crisis resolutions, it is good to witness those direct engagements between China and the U.S. naturally happening to address common interests globally. It shows some glimmering signs of hope. Another example is that Beijing has officially invited the U.S. representatives to join the Beijing Xiangshan Forum on 29-30 October 2023. The dialogue is considered a very important global platform to discuss world security and stability. As of this writing, the U.S. has yet to confirm who will be joining the forum to represent the U.S. armed forces, but someone from the country will be there. These improvements in relations between China and the U.S. are direct results of the presidential meeting in Bali.

Other meaningful takeaways include agreements between member States to work together on some common global challenges such as world economic recovery, food security and climate issues. G20 members agreed in their declaration to take careful steps on interest rates to avoid spillovers and warned of “increased volatility” in currency policy. It is an important change from last year’s focus on mending the scars of the COVID-19 pandemic. As reflected in the status checks globally, G20 countries said further fiscal stimulus measures should be “temporary and targeted.”

The leaders of the G20 member States promised to take coordinated actions to address food security challenges and applauded the Black Sea grains initiative, but civil society groups criticized what they said was the absence of concrete steps on hunger (Gopalakrishnan 2022).

G20 leaders also promised to take efforts to limit the global temperature increase to 1.5 degrees Celsius, confirming they stand by the temperature goal as stated in the 2015 Paris Agreement on climate change. This is expected to boost negotiations at the UN COP27 climate Summit in Egypt, where some negotiators feared the G20 would fail to back on the 1.5 °C goal potentially thwarting a deal on it among the nearly 200 countries at the UN talks (James 2022). Notably, China and the U.S. agreed to resume cooperation on climate change.

Another major accomplishment of the G20 Bali Summit was that the Indonesian government, along with the World Economic Forum, launched the Ocean 20 (O20) initiative, an innovative public-private initiative to ensure the long-term sustainability of the ocean economy (Parkes 2022). The initiative supports an integrated and holistic approach to ocean management in order to stop and reverse the current decline in ocean health. O20 is being proposed as an official Engagement Group of the G20 to develop policy recommendations for G20 leaders. The working group of O20 is considered to be an important advocating mechanism to promote sustainability.

The G20 Bali Summit was considered the most difficult task in the post of COVID era as the scars of the pandemic over the past three years had not fully healed. Despite all the challenges, President Jokowi has managed to pull all the strings he could and demonstrated a resilient mentality to tackle the issues with empathy and tolerance, without sacrificing the core principles of the G20 forums. The G20 Bali Summit left indelible memories to all member States that emerging economies can align different opinions to zoom into the common ground so that every member State can join in the rally peacefully. The G20 Bali Summit was a great showcase, not only for Indonesia, but emerging economies to navigate the way through those burning global issues and propose viable solutions.

The G20 Bali Summit concluded with high spirit, and momentum did not stop there. In order to deliver concrete G20 deliverables consistently, Indonesia worked closely with India, who was the host country of the G20 Presidency in 2023. The first Sherpa meeting of the India G20 Presidency took place on December 4-7, 2022 in Udaipur, Rajasthan, India. The meeting consisted of several working sessions: technological transformation, green development and LiFE (Lifestyle for Environment), women-led development, acceleration of SDG implementation, inclusive growth facilitation, and multilateral reformation.

Fruitful results were achieved as part of the discussion, the Sherpa highlighted India's role in providing a stronger voice for the Global South and utilizing the G20 presidency to establish mutually beneficial collaboration between emerging and mature economies. The meeting also discussed the importance of multilateral reformation, SDG achievement, food, fuel, and fertilizer issues, and emphasized the need to strengthen collective action between G20 member countries (Piri 2022).

Thanks to the leadership of President Jokowi and his team, the G20 Bali Summit went smoothly and heads of States and international institutions walked away with a refreshing experience about President Jokowi and Indonesia, another rising star of emerging economies in Southeast Asia.

ACCOMPLISHMENTS AND LEARNING OF THE 2023 G20 FORUMS IN INDIA

India took over the torch from Indonesia with the hope of showing the world that India, as another emerging economy with rapid economic growth in recent years, was on its way to become a global leader in the 21st century.

To promote India as another rising star in Asia, the country had put together the considerate plans to leverage the 2023 G20 Presidency to reset the percep-

tion of the creeping development in India. The theme of India's G20 Presidency was thoughtfully articulated as "Vasudhaiva Kutumbakam" (it is in Sanskrit, and can be translated in English as)—One Earth, One Family, One Future (Piri 2022). Prime Minister Narendra Modi masterminded the secret recipe as a human-centric approach for the transformation of India with changes in four main areas—demography, democracy, diversity, and development—championed as its "4D Model" (Joshi 2023).

As the emerging economies start to accelerate their transformations, one of the common approaches is to generate more economic benefits for their people. Incremental economic benefits shared with their citizens foster harmonized communities with strong social cohesion. We have witnessed similar patterns happening in China and India respectively.

As India settled into its G20 Presidency in 2023, the government made conscious efforts to create traction in multiple areas with international communities to maximize India's exposure as a fast growing and promising country. To achieve such an ambitious goal, the government of India intentionally hosted high-profile international meetings at locations across India as opposed to just Delhi. The same approach was applied in hosting the working group meetings and G20 Summit. To achieve the same effect, the prestigious global forums such as the 8th BRICS Summit in Goa, the 2nd FIPIC Summit involving many Pacific Island nations in Jaipur, and the Global Entrepreneurship Summit in Hyderabad were all executed well.

There were about 220 meetings across 60 cities in all 28 states and eight union territories. Over 100,000 participants from around 125 countries had the chance to witness the changes in India by participating in those events. What is more, over 15 million Indian people were involved in these meetings in India before the G20 Presidency ended (Joshi 2023).

It could have been a great show for India. However, the world has remained as unstable as it was in 2022. The crisis in Russia and Ukraine is still ongoing, rela-

The West is anxiously concerned about a "rules-based world order" that is sensible for the countries in a low context term, but international institutions need to become more relevant by recognizing the gaps between initial assumptions and changing realities as they go with the times.

tions between China and the U.S. have been improving with some bilateral visits but are far from being back on track in pre-COVID-19 terms. A balloon incident from China pushed the relations backwards and the visit to China by the U.S. Secretary of State was on hold.

The West is anxiously concerned about a “rules-based world order” that is sensible for the countries in a low context term, but international institutions need to become more relevant by recognizing the gaps between initial assumptions and changing realities as they go with the times. When progressive reconciliation is not done in a timely manner at global level, regional forums start to play important roles. Many emerging economies have a hard time to interpret what the “rules-based world order” means and its complications, as their lens to the world is very different from their counterparts in the West. The G20 is certainly one of the most critical forums that is being sought by many countries in searching for actions and results, no matter where they come from. India’s Presidency of the G20 came at such a juncture as the world is shifting from the unilateral approach to a multi-polarized model (Joshi 2023).

Some key takeaways from India’s G20 Presidency include a consensus reached in the G20 New Delhi Declaration, to the surprise of many observers of multilateral relations. The declaration was concluded with some implications towards the relations with its major counterparts internationally. India has openly credited the success of its G20 Presidency to the India-U.S. partnership (Bhardwaj 2023), but this statement leaves some room for other countries to think otherwise. To manage its complex relations with Russia, India ensured that the declaration dropped the specific reference to Russian aggression in the text to accommodate Vladimir Putin’s demand (Jha 2023).

While India is more confident about its relations with both the U.S. and Russia, its relations with China remain stalled. China, Saudi Arabia, Turkey, and Egypt skipped the working group meeting held in Kashmir, which reflected some controversial concerns raised over the venue of the working group meeting (Wintour 2023). This incident reflected some gaps in the planning and communications of the G20 work group meetings, even within emerging economies themselves.

One of the major breakthroughs accomplished during India’s G20 Presidency, was that Africa’s AU (African Union) became a permanent member of the G20. The Summit reaffirmed its support for industrialization in Africa through initiatives aimed at enhancing regional partnerships (Grover 2023). China and India have been the strong voices in representing the Global South internationally, and the AU’s membership in the G20 is clearly the outcome of the effort.

Another major partnership deal closed during the 2023 G20 Summit was to announce the India-Middle East-Europe Economic Corridor (IMEEEEC), which involves collaboration between the U.S., India, Saudi Arabia, UAE, France, Germany, Italy, and the EU to improve the infrastructure and economic ties among the countries involved. The agreement is being hailed as transformative for regional investment (Dubey 2023). As India was celebrating the deal's closure, many emerging economies started wondering how this project might conflict with the China-sponsored Belt and Road Initiative (BRI), and it will trigger off more concerns and doubts within emerging economies over their relationships with China.

India has been praised internationally throughout its Presidency, giving the strong boost to demonstrate its unique wisdom and capacity to host the complex and important multilateral forum in such a turbulent time. However, if we take a step back to reflect on some lessons in the context of complex circumstances in world affairs, would it be possible for India to handle the different voices and concerns in a sensible manner so all G20 member States would be better united? Emerging economies are still going through the learning curves in setting and managing the expectations of all stakeholders. Without achieving cohesive alignment among the member States in driving the global agendas, the emerging economies may unintentionally end up in a trap that would rob them off the independent stand if it only represents the specific interests of some members.

Emerging economies are still going through the learning curves in setting and managing the expectations of all stakeholders. Without achieving cohesive alignment among the member States in driving the global agendas, the emerging economies may unintentionally end up in a trap that would rob them off the independent stand if it only represents the specific interests of some members.

A BALANCED AGENDA TO ACHIEVE IMPROVED AND INCLUSIVE ALIGNMENT WITH THE SENSE OF URGENCY

The G20 began with Finance Ministers looking for solutions to stabilize the global financial markets after a wave of steep currency devaluations in the late 1990s.

It also provided an additional annual meeting of world leaders after the global financial crisis a decade later. Senior officials from the G7 pushed for what they saw as a more flexible, inclusive forum than the Western-led G7 alone. They believed that bringing together both established and rising powers would better protect the global economy, and early evidence suggested that they were right (Cave 2023).

Many experts praised the group for stabilizing the financial system in 2008 and 2009 by agreeing to spending measures worth US\$ 4 trillion and instituting bank reforms to rebuild trust. The 2016 Summit in China also showed the power of bringing leaders together, when Chinese leader Xi Jinping and then President Barack Obama announced that their countries would sign the Paris Agreement on climate (Cave 2023).

Reflecting on the lessons and takeaways from the G20 Summits in 2022 and 2023, emerging economies have demonstrated the willingness and values to lead a global platform for dialogues. The government of Indonesia solved this puzzle through setting higher priorities to mitigate the geopolitical crisis between Russia and Ukraine, and facilitated the first in-person meeting between the Chinese and American Presidents since the outbreak of COVID-19. The government of India was a strong voice representing the Global South at the G20, while the African Union was granted full membership status at the G20 Summit in India. However, some influential member States were absent from working group meetings in Kashmir, which sent out warning signs in fostering a cohesive economic cooperation bloc under the G20 framework. With intensified geopolitics becoming a major force in agenda setting and the outcomes of meetings, member States need to collectively work together to create suitable governance models in place to mitigate potentially major derivations.

The merits of emerging economies hosting the G20 Presidencies bring different favors and perspectives to foster holistic views on the challenges as well as propose viable options. Emerging economies represent a much broader portion of the States in the world, many of whom used to be silent on global challenges. Emerging economies need to focus more on accelerating the development of their States through economic cooperation globally. With increasing connectivity and interdependence in global trade and economic ties, all countries should appreciate the opportunity to share the table with others, regardless where they are, and how they come along. It is imperative to appreciate different voices sharing their concerns, as well as the wisdom to build resilient and inclusive global governance models. However, if any country mixes the political agenda along with the objective of economic cooperation in G20 forums, it will create doubts and concerns over the long-term perspective over G20 forums.

Emerging economies need to adopt a sensible approach in articulating the agenda to focus on common interests with shared objectives. They need to have the courage and commitment to drive consensus building and leave no loose-ended actions behind. Securing the active participation of all member States should be the top priority in preserving the values of the G20 as the inclusive global platform of dialogues, and it would not be desirable to let G20 forums become another hot spot of geopolitical tensions.

There are many pressing global challenges in front of us, such as the desperate state of the geopolitical crisis in Russia/Ukraine and Israel/Palestine, which warrant immediate attention and collective effort to end the crisis and save lives. Next big item on the list is that trade barriers are negatively impacting the post-Covid economic recovery globally, and how we can put hands together to remove the roadblocks on bilateral trades and economic cooperation. We all have faith in an open market economy, and mechanisms will prevail if all member States follow the shared rules.

The third issue is the concerns over climate change, which has become a permanent topic in global forums, but it has yet to see concrete solutions yielding immediate results. Good consensus has been built among key stakeholders, but the question is about what governance model is in place to ensure all the commitments and plans sought from relevant parties will be implemented accordingly. How to share the best practices among all the member States will be essentially critical to expedite the transformation.

A Brazilian professor recently visited us at the Center for China and Globalization (CCG) in Beijing. I was very impressed to learn that the supply capacity of renewable energy accounts for 48% of total energy supply in 2020 in Brazil. This is a very impressive figure, compared to the 11.2% of the world average benchmark. On the other hand, the professor was impressed with the ability in China to activate the energy transformation for those legacy industry sectors such as coal, cement, and utilities to reach the carbon peak in 2030 and carbon neutrality by 2060. Public policies have been the catalyst to drive the transformation. This case can be a perfect example that Brazil and China can learn from each other to build sustainable industry portfolios for a better tomorrow.

Emerging economies need to adopt a sensible approach in articulating the agenda to focus on common interests with shared objectives. They need to have the courage and commitment to drive consensus building and leave no loose-ended actions behind.

BOONS TO GLOBAL GOVERNANCE AND A POTENTIAL TO-DO LIST

The digital economy will help emerging economies achieve more rapid social transformation. The real concern is what governance models will be in place to ensure that emerging economies are protected from potential exposures such as cyber security and violation of personal privacy. As we enjoy the convenience of everything being on digital, how can we share the learning and preventive mechanism to stay away from those exposures? Can we amplify the positive impact of digital technologies to provide vocational education programs to ensure the next generations in emerging economies can access the latest technologies to become digital natives in the 21st century, especially for those who are staying in the remote rural areas?

With Brazil on board to take the G20 2024 Presidency, it will be another window for emerging economies to showcase their wisdom and resilient capacity to bring some peace to the world in a turbulent time. We have some good reasons to be optimistic in the world economic recovery but the regional conflicts in Russia/Ukraine and Israel/Palestine are still very concerning. Climate issue and digital transformation are two very important topics to connect like-minded States to join hands to expedite the execution and governance model building. Priority setting and better alignment with all stakeholders within G20 member States will be far more critical to get right focus in place to tackle those pressing global issues. Emerging economies have already established themselves in global governance in a multi-polarized world of the 21st century. Commitment, courage, and continuous effort (3C effect) will be the essential part of the future success of G20 forums to bring fruitful results and alignment in solving global challenges. Brazil's G20 Presidency in 2024 will be the opportunity to lead the G20 forums in the quest to pursue world peace and prosperity for the shared future. ☰

With Brazil on board to take the G20 2024 Presidency, it will be another window for emerging economies to showcase their wisdom and resilient capacity to bring some peace to the world in a turbulent time.

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The Brazilian G20 Presidency and the Case for Building a New Global Political Consensus on Energy and Finance

Alden Meyer

Anna Peran

Eunjung Lee

Sima Kammourieh

Abstract: Brazil's G20 Presidency is an opportunity to deeply reshape our global economy and build political consensus on two fronts to address the twin challenges of climate and development: 1) a new energy sustainability and security package, focused on renewable energy, energy efficiency, transitioning away from fossil fuels, and managing competition in clean energy markets; and 2) a new reform vision for the financial system, focused on reimagining its institutions, norms, and terms of operation.

Keywords: energy transition; managing competition; finance reform; transition plans; investment treaties.

On June 23, 2023, President Lula addressed world leaders meeting in Paris during the Summit for a New Global Financial Pact (Brazil 2023a). His ambitious speech conveyed three key messages:

- Brazil is back and will lead by example. Lula announced that after the G20 2024 Presidency, Brazil is set to host the COP30 climate Summit in 2025 and restated his campaign promise to end deforestation by 2030;
- The existing international financial system needs to be redesigned, i.e., the “Bretton Woods institutions no longer work, and no longer serve society’s aspirations or interests;”
- Inequality is as critical an issue as climate, and both need to be addressed jointly—whether in Brazil, which is facing challenges again with food security, or globally.

The 2024 G20 is an opportunity for Brazil to walk the talk on all of these issues—and there is strong hope that it will, given the ambitious agenda and priorities laid out by President Lula on December 13, 2023, during the first G20 meetings held under Brazil’s stewardship (the creation of a Global Mobilization against Climate Change is particularly encouraging). The G20 is a key multilateral forum that Brazil should leverage not just to demonstrate its leadership but to help design the post-Bretton Woods world, which should address both the climate crisis and

Alden Meyer is a Senior Associate with E3G focusing on international and U.S. domestic climate policy and politics. Before coming to E3G in 2020, he served as Director of Strategy and Policy for the Union of Concerned Scientists. He holds a BA from Yale University and an MS from American University.

Anna Peran is a Political Analyst at E3G. Her work focuses on climate diplomacy and geopolitics. She specializes on the G7, the G20, and matters of international governance reform. Prior to working in diplomacy, Anna worked on the energy transition in the UK and the EU. She holds a BA in Geography from King’s College London.

Eunjung Lee is a Senior Policy Advisor at E3G, leading E3G’s work on the nexus of international investment governance and climate. Eunjung was a South Korean diplomat for several years, including serving as an advisor to the G20 Sherpa. She holds an MSc in Development Management from LSE.

Sima Kammourieh is a Programme Lead on international sustainable finance at E3G. Prior to joining E3G, Sima was a Director at BNP Paribas’ New York office. She also served as Economic Advisor to former French Foreign Affairs Minister, Laurent Fabius. She started her career at the French Treasury.

inequality. What President Lula's speech points to is the need to broker a consensus around a new *modus operandi* for our global economy and financial system, and the G20 is precisely the space to do that as the "premier forum for international economic cooperation."¹

Admittedly, the G20 often "muddles through." G20 Presidencies typically result in lengthy statements or communiqués on a wide range of topics. These usually insist, throughout, on the "voluntary" nature of all the discussions that occurred, immediately limiting the impact that these statements could have by reminding their readers that G20 decision-makers do not feel bound by discussions held in this forum. But in some cases—as following the Global Financial Crisis—the G20 succeeds. When it does so, it produces strong political directionality on a pressing global issue: a signal is sent, the message is clear, and less caveats are used in the final written communiqués.

The G20 is a key multilateral forum that Brazil should leverage not just to demonstrate its leadership but to help design the post-Bretton Woods world, which should address both the climate crisis and inequality.

Brazil is taking over the G20 Presidency at an extremely sensitive time—characterized by many as that of the "polycrisis" (Whiting & Park 2023). Political and economic uncertainty reign amid rising debt (Gaspar, Poplawski-Ribeiro & Yoo 2023), growing inequalities, and more frequent and damaging climate disasters (Berman & Baumgartner 2023), against a backdrop of shifting power dynamics and lack of cooperation and consensus.

And yet, Brazil finds itself uniquely well positioned for success with its ambitious agenda:

- There is great urgency around the climate and development agendas. There are real risks that the geopolitical crises, increasing in gravity, absorb bandwidth for global political attention and financial support, not to mention the more direct economic, financial and social impacts that these crises can have globally. But with every passing year, the need to address the twin challenges of climate and development becomes more pressing. The G20 countries may not have their backs to the wall as was the case following the

1. See the official G20 Brazil website: <https://www.g20.org/en/>.

Global Financial Crisis, the onset of which was sudden and took elected officials by surprise. However, in this case, elected officials have both less of an excuse, and less of a choice: the climate crisis has already arrived, and its manifestations are clear; it is already worsening countries' development challenges; and inaction will only accelerate climate change's potential for widespread damage, putting elected officials under pressure within the timespan of their current mandates;

- With its strong stance and sophisticated diplomatic machine, Brazil has positioned itself as both a leader and a bridge-builder capable of rising to the challenges of shifting global alliances, changing economic and political dynamics as developing countries gain more prominence and influence, and lack of traction to address the reality of the massive shift needed in energy and climate policy internationally. Brazil has a unique opportunity to act as an effective broker—navigating existing fault lines in a context of uncertainty—and deliver the impactful multilateralism it has been calling for (Brazil 2023b) in international venues;
- In addition, Brazil has been at the forefront of both climate action and championing biodiversity protection and the preservation of the Amazon rainforest as an environmental and economic asset (Brazil 2023a). President Lula's promise of slowing down deforestation is already being delivered upon (Brazil 2023c), and he has been vocal about further ambitions. With half of Brazil's energy mix already being renewable, the country is on track to meet net zero targets by 2050. As such, this Presidency is an opportunity for Brazil to deliver its vision to the world and set a high precedent ahead of hosting COP30 in 2025, but also gives it the responsibility to bring together drifting powers to tackle the challenges outlined above—as time is of the essence.

What is needed from Brazil to deeply reshape our global economy and restore trust is building a political consensus on a new energy package and financial reform vision to address the twin challenges of climate and development. Brazil should focus on brokering a global political consensus on these two systemic fronts:

- A new energy sustainability and security package, focused on renewable energy development, energy efficiency, transitioning away from fossil fuels (including the matter of fossil fuel subsidies), and managing competition in energy and trade;

- A new reform vision for the financial system, focused on reimagining its institutions, norms, and terms of operation.

BUILDING A NEW CLEAN ENERGY DOCTRINE

As G20 countries collectively represent 76% of global greenhouse gas emissions (United Nations Environment Programme 2023), their leadership is essential to address the climate crisis. Building on the Indonesian and Indian G20 Presidencies, Brazil should use its Presidency to reframe the climate and energy policy landscape towards a goal of societal resilience and true security. Accelerating the clean energy transition and building much greater resilience to climate impacts contribute to achieving almost all of the other UN Sustainable Development Goals; raising climate ambition is not at odds with economic development and poverty alleviation, but, rather, is essential to achieving those objectives.

The shift to clean energy is also associated with geoeconomic advantages. As the International Energy Agency (IEA) notes in its *Net Zero Roadmap* (2023a), “momentum is coming not just from the push to meet climate targets but also from the increasingly strong economic case for clean energy, energy security imperatives, and the jobs and industrial opportunities that accompany the new energy economy.”

The outcomes of the United Nations COP28 climate Summit in Dubai provide a strong basis for Brazil to build on, especially the call for all countries to contribute to “tripling renewable energy capacity globally and doubling the global average annual rate of energy efficiency improvements by 2030” and “transitioning away from fossil fuels in energy systems, in a just, orderly and equitable manner, accelerating action in this critical decade, so as to achieve net zero by 2050 in keeping with the science” (UNFCCC 2023a).

There is an urgent need to sharply scale up finance for developing countries to decarbonize their economies; the International Energy Agency estimates that to get on track for net zero emissions by 2050, clean energy investment in the emerging market and developing economies (other than China) needs to increase by a factor of five in the second half of the current decade compared with 2022. Fostering countries’ buy-in to the global energy transition needed to address the climate emergency will require addressing not just the need to scale up finance, but also narrowing the massive disparities between countries on access to the clean technology R&D, supply chains, and markets required to enable an equitable and just energy transition.

Brazil's G20 Presidency should seek to make progress on several interrelated goals:

- Ensuring delivery of the goals of tripling renewable energy capacity and doubling the rate of energy efficiency gains by 2030;
- Phasing down production and use of fossil fuels;
- Eliminating fossil fuel subsidies; and
- Managing competition in energy and trade.

Renewable Energy

In their New Delhi Declaration (G20 India 2023), G20 leaders embraced the global goal of tripling renewable energy capacity by 2030, which the IEA's Net Zero Roadmap shows would make the single biggest contribution to reducing global CO₂ emissions by 2030. The challenge now for the G20 is to take the individual and collective action needed to follow through on its support for the 2030 renewable energy expansion goal—particularly in terms of mobilizing much greater sums of public and private finance.

- The Global landscape of renewable energy finance 2023 report of the International Renewable Energy Agency (IRENA & CPI 2023) finds that while investments in renewable energy, energy efficiency, and other energy transition technologies reached US\$ 1.3 trillion in 2022—a sharp increase of nearly 70% over 2019 levels—they will need to more than quadruple between now and 2030 in order to keep 1.5 °C within reach;
- The need to assure more equitable distribution of this investment must also be addressed: IRENA's analysis shows that countries representing more than 50% of the world's population received only 15% of global investments in renewables in 2022, and that Least Developed Countries received less than 1% of renewable energy investments between 2013 and 2020.

A major objective of Brazil's G20 Presidency should be to drive much greater renewable energy investment and to address these distributional disparities. This should include securing a tripartite commitment from multilateral development

banks (MDBs), the private finance sector, and donor governments to triple the amount of renewable power capacity they finance.

In addition, inadequate investment in grid infrastructure is a major barrier to both faster growth in new renewables capacity and maximizing generation potential from existing renewable capacity. In its report on Electricity Grids and Secure Energy Transitions, the IEA (2023b) notes that achieving countries' national climate goals requires adding or refurbishing a total of over 80 million kilometers of grids by 2040, the equivalent of the entire existing global grid, and nearly doubling grid investment by 2030 to over US\$ 600 billion per year, with emphasis on digitalizing and modernizing distribution grids. Under Brazil's Presidency, the G20 should develop a roadmap for sharply increasing investments in power grid infrastructure—including support for the expansion and modernization of grid networks; the connection of renewable energy projects; and implementation of smart grid solutions, like storage and demand response.

Energy efficiency

Energy efficiency offers some of the fastest and most cost-effective actions to reduce emissions: it is central to a just and inclusive energy transition. Global collaboration is key to ensuring that countries can reduce energy costs, strengthen energy security, and manage increased pressures on the power grid—including those created by rising demand for cooling.

IEA's net zero by 2050 scenario (IEA 2023a) requires on average a 4% annual reduction of global primary energy intensity between now and 2030—double the rate achieved in 2022, which itself was nearly double the average rate achieved over the previous five years. The IEA identifies three main levers to achieve this rate of improvements in primary energy intensity, each contributing roughly a third of the gains:

- A shift to more efficient fuels through electrification, renewables and universal access to clean cooking fuels;
- Technical efficiency measures in all sectors; and
- Avoided energy demand through material and resource efficiency gains, including through behavioral change.

Analysis (IEA 2022) shows that such accelerated action on energy efficiency and related avoided energy demand measures can reduce CO₂ emissions

by 5 Gt per year by 2030, strengthen energy security by reducing demand for oil and natural gas, contribute to lowering household energy bills by at least US\$ 650 billion a year, and support an extra 10 million jobs by 2030 in efficiency-related fields such as in new construction and building retrofits, manufacturing and transport infrastructure.

Brazil's G20 can build on the New Delhi Leaders' Summit support for the global goal of doubling energy efficiency and its Voluntary Action Plan for achieving that goal by convening relevant delivery organizations and detailing more concrete action on measures under each of the Plan's five pillars: the buildings, industry and transport sectors, along with energy efficiency financing and sustainable consumption patterns. This should include giving a strong mandate to the Energy Efficiency Hub² to support ongoing global collaboration, and building on the work of Mission Efficiency,³ which enables developing countries to deliver on their efficiency goals.

As with renewable energy, the G20 should seek a tripartite commitment from MDBs, private finance sector and donor governments to triple investment in energy efficiency finance, as it is needed to get on track for 4% annual improvements in energy intensity by 2030.

The Transition Away from Fossil Fuels

To have any chance of meeting the Paris Agreement's 1.5 °C temperature increase limitation goal, sharp reductions in the production and use of all fossil fuels over the next decade—including, but not limited to, coal—are essential, en route to a phase-out of all unabated fossil fuels before 2050. As the world's largest economies, responsible for roughly three-quarters of global oil and gas demand, G20 countries must lead on the global transition to fossil-free energy systems.

Carbon capture and other abatement technologies may play a role in hard-to-abate sectors over the longer term but, as the graph below makes clear, they will not significantly affect the global emissions trajectory over the next five to ten years and should not be viewed as a substitute for phase-down of fossil fuel production and use.

2. See: <https://energyefficiencyhub.org/>.

3. See: <https://missionefficiency.org/>.

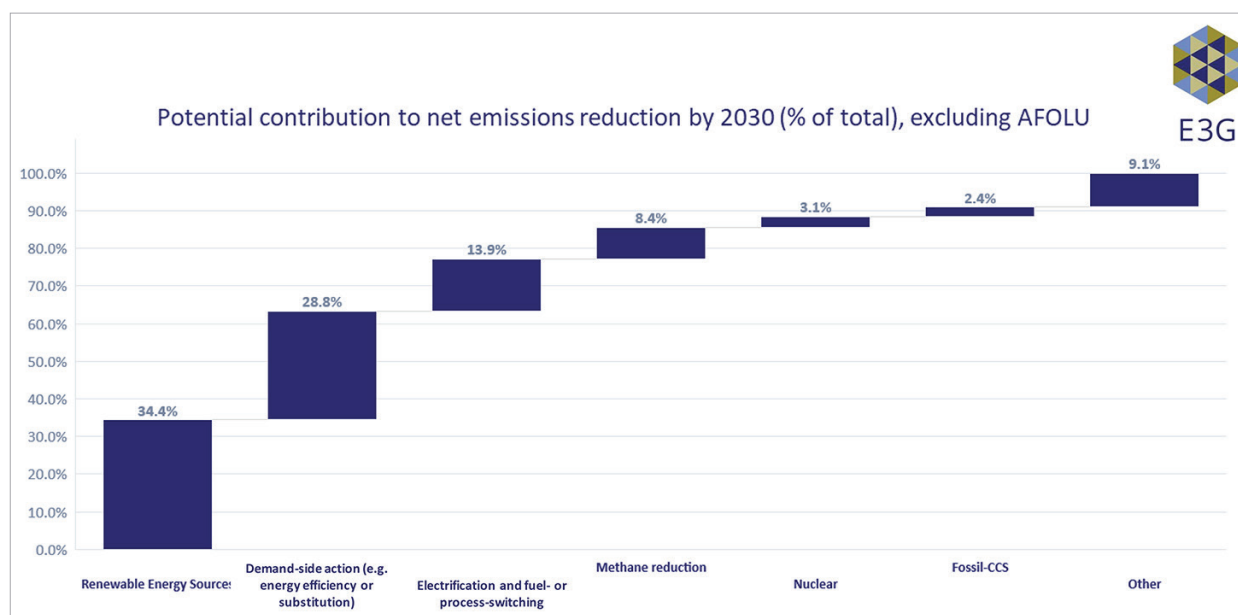


Figure 1. Potential contribution to net emissions reduction by 2030. Source: E3G calculations based on IPCC Sixth Assessment Report (2022). Notes: AFOLU mitigation options have been excluded. Mitigation options have been grouped in the following categories: 1) Renewable energy sources; 2) Demand-side action such as energy-efficiency or substitution; 3) Electrification and fuel or process switching; 4) Methane reduction; 5) Nuclear energy; 6) Fossil-based carbon capture and storage; and 7) other.

In addition to undermining efforts to meet the Paris Agreement temperature limitation goals, continuing to build new coal plants and expanding oil and gas production endanger true energy security and pose a significant risk of massive levels of stranded assets as the demand for the energy from these investments fails to materialize.

Under Brazil’s Presidency, the G20 should build on its September 2023 Delhi Declaration call for “accelerating efforts towards phasedown of unabated coal power” by including an explicit reference to no new coal in the 2024 Energy Ministerial and Leaders’ Summit communiqués. In addition, as the only country in the Americas with new unabated coal plant projects in the pipeline, Brazil has a unique opportunity to demonstrate its leadership on this front by signalling that it has no need to build new coal plants, because coal cannot compete with cheaper renewables and that it instead intends to utilize its demonstrated high renewable energy resource potential to secure its energy future. As Brazil’s Minister for Finance Fernando Haddad (2023) has stated, decarbonization and diversification from fossil fuels are not a cost, but “an opportunity for creating jobs, raising income and improving the lives of millions of Brazilians.”

The G20 also needs to provide leadership on developing effective and equitable oil and gas transition strategies, both for its own members as well as countries outside the group, including identifying ways to assure provision of the necessary transition

finance. As countries phase down fossil fuels, this transition will create growth potential in some sectors and lead to declining markets and employment in others. Without sufficient planning and timely support—a topic which is addressed in more detail in the economic section below—there are substantial risks of workers, communities, and regions affected by this transition being left behind. In addition to these impacts, gender equality and socioeconomic development must also be addressed as key aspects of a just and inclusive transition. On a positive note, distributed renewables, micro-grids, demand-side management, and other small-scale technologies can create substantial employment opportunities and help alleviate energy poverty in underserved communities.

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Drawing on the work of the International Labour Organization,⁴ the Global Commission on People-Centered Energy Transitions,⁵ the Just Energy Transition Partnerships (Kramer 2022) underway in several countries, and other initiatives, the G20 should work to develop an ecosystem of support for just transitions in its own member countries and, more broadly, through establishment of technical, financial, and knowledge networks to help accelerate action. Such multi-stakeholder knowledge networks can help countries better understand the extent of resources needed to implement just transition strategies on issues including skills development, community and local government capacity building, and building social infrastructure.

G20 countries can also provide much-needed leadership in implementation of the UAE Just Transition Work Programme agreed to at COP28 in Dubai (UNFCCC 2023b), which includes the following elements:

- Just transition pathways to achieving the goals of the Paris Agreement outlined in Article 2, paragraph 1, in the context of Article 2, paragraph 2;
- Just and equitable transition, which encompasses pathways that include energy, socioeconomic, workforce and other dimensions, all of which must

4. See: <https://www.ilo.org/global/topics/green-jobs/publications/just-transition-pb/lang-en/index.htm>.

5. See: <https://www.iea.org/programmes/our-inclusive-energy-future>.

be based on nationally defined development priorities and include social protection so as to mitigate potential impacts associated with the transition;

- Opportunities, challenges and barriers relating to sustainable development and poverty eradication as part of global transitions to low emissions and climate resilience, taking into account nationally defined development priorities;
- Approaches to enhancing adaptation and climate resilience at the national and international levels;
- Just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities, including through social dialogue, social protection and the recognition of labor rights;
- Inclusive and participatory approaches to just transitions that leave no one behind; and
- International cooperation as an enabler of just transition pathways towards achieving the goals of the Paris Agreement.

Fossil Fuel Subsidies

Since G20 leaders first committed to phase out inefficient fossil fuel subsidies over the medium term at the 2009 Summit in Pittsburgh, G20 communiqués have dutifully repeated this pledge Summit after Summit; however, very little progress has been made. A report published by Bloomberg Philanthropies and Bloomberg New Energy Finance (Bloomberg 2022) estimates that “G-20 member countries provided almost US\$ 700 billion in support for coal, oil, gas and fossil-fuel power in 2021—up 16% from the year before and higher than any year since 2014.” An IEA report (IEA 2023c) estimates that global fossil fuel consumption subsidies alone exceeded US\$ 1 trillion in 2022.

At their summit in Delhi in September, G20 Presidency leaders pledged to “increase [their] efforts to implement the commitment made in 2009 in Pittsburgh to phase-out and rationalize, over the medium term, inefficient fossil fuel subsidies that encourage wasteful consumption and commit to achieve this objective, while providing targeted support for the poorest and the most vulnerable.” But once again, there was virtually nothing on how to implement this pledge.

By contrast, the policy brief on *Financing a Fair Energy Transition through Fossil Fuel Subsidy Reform* (Sharma et al. 2023) produced by the T20 group as an input to

India's G20 Presidency makes very helpful recommendations on concrete steps G20 countries should take to address this implementation gap:

- Redirect fossil fuel subsidy savings to social protection and clean energy;
- Account for all public financial support for fossil fuels, including state-owned enterprise investment and lending by public financial institutions;
- Improve transparency by committing to annually report on all support for fossil fuels in a comprehensive manner; and
- Adopt a specific timeline for fossil fuel subsidy reform, bearing in mind the G7 goal to phase out fossil fuel subsidies by 2025, and the need to fully implement reforms before 2030—the date agreed upon by all UN member countries under SDG 12.

Brazil should task G20 Finance and Energy Ministers to co-prepare an implementation roadmap on phasing down fossil fuel subsidies, drawing on the T20 group's policy brief report and other resources, and commit to put it before leaders for approval at their November 2024 Summit.

Managing Competition

Brazil should use its G20 Presidency to help put the world on a more collaborative path to managing competition in clean energy markets. This is a complex and politically charged landscape that includes issues such as supply chain derisking, ensuring the resilience and transparency of critical minerals production and value chains, guidelines for onshoring and “friendshoring” policies, and minimizing carbon leakage through border carbon tariffs.

While there have always been trade and competitiveness issues in the climate and energy space, the passage of the Inflation Reduction Act (IRA) in the United States, the European Union's Carbon Border Adjustment Mechanism (CBAM) and Green Deal Industrial Plan, and similar initiatives in other countries have elevated issues of competitiveness in cleantech manufacturing, the fair use of green subsidies, and securing access to critical raw materials to the forefront of debate in the G7, G20, IEA, World Trade Organization (WTO), and other multilateral spaces. All of this is taking place in the context of China's market dominance in many aspects of clean technology and critical minerals production and processing.

There is currently no consensus on how these issues should be discussed and managed in the United Nations Framework Convention on Climate Change (UNFCCC), the WTO, or other multilateral spaces. The G7 leaders laid out a range of proposals in the *G7 Clean Energy Economy Action Plan* (United States 2023) adopted at their Hiroshima Summit in May 2023. At their Delhi Summit, G20 leaders addressed some of these issues, including pledging to “support reliable, diversified, sustainable and responsible supply chains for energy transitions, including for critical minerals and materials beneficiated at source, semiconductors and technologies”.

A briefing by our E3G colleague Jonny Peters (2023) discusses these issues in more detail and outlines several areas where progress could be made:

- Using trade cooperation to support the faster diffusion and uptake of clean technologies through a wider range of means than only through tariff liberalization;
- Developing shared understandings and solutions that work for both consumer and producer countries on supply chain resilience and access to the raw materials needed for renewable energy and battery technologies;
- Addressing clashes that have occurred over local content requirements for clean technologies and the risks to developing countries of being shut out of a global green subsidies race; and
- Making trade part of the solution to addressing climate change, both in bilateral and multilateral discussions and by addressing the trade dimension to the sector-focused international climate initiatives that have proliferated in recent years.

Through its G20 Presidency, as well as its leadership of the 2024 Clean Energy Ministerial and Mission Innovation Summits, Brazil should seek to advance multilateral collaboration on these issues.

BUILDING A NEW FINANCIAL REFORM VISION

On the eve of the 80th anniversary of the Bretton Woods Accords, as a variety of voices have repeatedly pointed out (Brookings 2018), the shortcomings of the current global financial system are increasingly evident. At the same time, the G20’s relevance is increasingly being called into question, including from some of its own members; in a recent address to French Ambassadors meeting in Paris, President

Macron noted that “we are not seeing that many people knock at the door of the G20” (France 2023). Brazil has a timely opportunity to illustrate its leadership by defining a new global financial reform vision for climate and development.

This new global financial consensus rests on two key efforts:

- Reform of the global financial system’s *institutions*, essential to relieve short- to medium-term financial and social pressures on developing countries;
- Reform of the global financial system’s *norms and terms of operation*, essential to reintegrate climate risk and opportunities in the financial system’s inner workings and embed the transition to climate safety and social resilience in financial decision-making.

Multilateral Development Banks (MDBs)

Reforming the global financial system’s institutions starts with bigger and better multilateral development banks (Scull 2023), and, while progress has been achieved in 2023, much remains to be done. This issue was identified by President Lula as one requiring action in the speech he gave during the G20 Meeting of Sherpas, deputy ministers of Finance and Central Bank Representatives in Brasilia on December 13, 2023.

The first priority should be to sustain efforts started in 2021 under the Italian G20 Presidency to implement ambitious changes to MDBs’ capital adequacy framework (CAF) and deploy their full financing potential. This means progressing with measures identified by the G20 Roadmap for implementing the recommendations of the G20 Independent Review of the CAF endorsed by G20 Leaders. But ambition on this agenda can be further increased, notably by more explicitly incorporating recommendations formulated this year by a G20 Independent Expert Review Group in the Roadmap—as so far these recommendations have been merely “noted” and “examined” by G20 Finance Ministers. Another ambitious path forward could be to expand this agenda to include regional development banks.

The second priority should be to increase MDBs’ financial firepower, i.e., their capitalization levels. Achieving this across the board will take years, but Brazil should seize the window of opportunity opened up last October by G20 Finance Ministers—the communiqué they published after their last meeting under the Indian Presidency mentioned for the first time the possibility of capital increases for MDBs—and build on it. Brazil could focus on political bandwidth for the year ahead by discussing this matter on a bilateral basis with key shareholders of G7 countries (especially the

United States, the United Kingdom, Germany, and France) in advance of key G20 meetings, identifying urgent targeted increases first (such as the replenishment of the World Bank's International Development Association).

The third priority should be to deepen discussion on the MDB system's governance: Are their mandates adequate? How do they or should they work together (Reyes 2023)? What about other institutions, such as public development banks or regional development banks? In an address in Marrakech, an updated mission for the World Bank (2023) was recently announced by its newly appointed President, Ajay Banga: "to create a world free of poverty, on a liveable planet." The MDB governance conversation should be broadened beyond the World Bank, and systematized.

International Monetary Fund (IMF) Reform

Reforming the global financial system's institutions also requires deepening reform of the IMF. Similarly to MDBs, there are various issues at play here, and the first is financial. The recent approval by the IMF Board of a proposal to increase the Fund's quotas (IMF 2023) is good news, in troubled times, for the global financial safety net. But Brazil could also encourage early G20 discussions on the capacity of the IMF to deliver increased financial support where needed through a new US\$ 650 billion issuance of Special Drawing Rights in 2026, and continue to push the envelope to durably address fiscal space issues—in particular by examining the need and potential impacts of incorporating climate change into the IMF's Debt Sustainability Analysis (Maldonado & Gallagher 2022).

The second issue is methodological. The IMF has a wide range of policy tools at its disposal; but despite Kristalina Georgieva's determination to mainstream climate across the IMF's toolbox and hire numerous climate economists to join the ranks of the institution, much remains to be done. Brazil should push for increased transparency and consistency of these methodological approaches, considering their immediate financial impact on developing countries.

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The third issue is a governance one. President Ruto of Kenya pointed out (Bryan & Mooney 2023) the built-in limitations to what the IMF could achieve, based on its existing shareholder structure. The IMF Board recently approved a call (IMF 2023) to develop possible approaches to realigning the Fund's quotas by June 2025. This is a significant step forward, and Brazil should seize this opportunity to shape the terms of this debate and build strong G20 support and proposals—in close coordination with South Africa (which will hold the G20 2025 Presidency).

Transforming the Financial System's Inner Workings

Brazil should further raise the stakes in 2024 by integrating more squarely, in the G20's narrative, agenda, and outcomes, the need to also transform the financial system's terms of operation—its norms, rules and legal frameworks—in order to strengthen what the IMF refers to as the “climate information architecture” (Ferreira et al 2021).

The 2006 *Stern Review on the Economics of Climate Change* (Stern 2006) marked a pivotal moment in the conceptual thinking about climate change. While various factors (e.g. historical, geopolitical, political or social) can explain the problem, Nicholas Stern offered a simple and powerful explanation of climate change in economic terms. Indeed, he described climate change as a prime example of a “market failure” (i.e., the inefficient distribution of goods and services in a free, and supposedly efficient, market). In this specific case of market failure, the inefficiency pertains to greenhouse gas emissions—the unpriced yet negative by-product, or “externality”, of valuable economic activities. This powerful explanation proposes a simple path to unravel the range of complex problems posed by climate change (including risks to financial stability, market integrity, consumer protection, social resilience): reintegrate climate-related and nature-related *information* in our economic and financial systems.

Transition Plans

Transition plans are a key emerging norm that holds the potential to deeply transform the global financial system's inner workings and secure its resilience to climate change, as well as that of the social contract within and across countries. They were recognized as an important tool in 2023 by various international forums—from the G7 to the IMF to the UN, with many other international standard-setters creating working groups on the topic. Under Brazil's stewardship the G20, especially through its Sustainable Finance Working Group and the newly created Global Mobilization against Climate Change, could add significant value to this conversation by:

- Clarifying the terms of this debate and acknowledging the need to articulate the workings and structure of three kinds of plans: national transition plans, corporate sector transition plans, and prudential transition plans. Early information regarding planned agenda items for the G20's Sustainable Finance Working Group and Global Mobilization against Climate Change seems to indicate that national economic transformation plans, and just and credible transition plans generally, will be key discussion topics in 2024. This is a very encouraging development, but it should be made clear that all major financial system participants should prepare for the transition. It could be particularly helpful to discuss and clarify the relationship between all three types of plans and nationally determined contributions (NDCs). Ideally, these should serve as a common underpinning, within every jurisdiction, to transition plans and planning efforts;
- The G20 and, in particular its Sustainable Finance Working Group, should work on designing a proportional, fair and inclusive common approach for transition plan design and implementation in emerging markets and developing economies. This work could be done in coordination with other venues (e.g. the Coalition of Finance Ministers for Climate Action) or institutions (e.g. the IMF_(2023) and the OECD (2023), which have already developed thinking on the issue of emerging markets' capacity and appetite to implement new standards for sustainable finance, such as transition plans). A "common but differentiated responsibility" approach to transition plans or planning for EMDEs should be explored, especially if NDCs have been clearly positioned as a common anchor. This would represent a significant change in approach to global financial regulation design and implementation: following the Global Financial Crisis, the emphasis was on harmonization to the largest extent;
- The G20, in its Finance Track, could adopt language recognizing the Financial Stability Board (FSB) as a key international standard-setting body to design common principles and potential proportional approaches for specific countries, in coordination with other key standard-setters mentioned above which are already at work on transition plans (IOSCO, NGFS, Basel Committee, IAIS). The UNFCCC could also encourage the G20 Finance Ministers to task the FSB with the development of common principles to assess transition plans, as discussed above.

It is certain that transition plans are a politically sensitive topic. Designing and implementing them involve making choices with significant potential consequences, whether at the national level or for one's business. In addition, broadly speaking, developing countries have justified concerns about the way new, common financial standards may impact their ability to attract capital flows.

These challenges, however, are precisely the reason why Brazil is best placed to carry forward this conversation. Brazil itself needs to balance its significant domestic ambition on sustainable finance issues with its most pressing domestic development issue: hunger, and the pressures this creates on the agricultural sector's own transition considerations. Having also favored a "common but differentiated responsibility" approach in other policy areas, Brazil is uniquely well suited to shepherd this approach to transition plans specifically and new global financial norms more broadly. Bringing these conversations to the table would be the most impactful way for Brazil to demonstrate the political courage and cutting-edge leadership that is expected of President Lula's administration.

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International Investment Regime

Brazil could further demonstrate cutting-edge vision by including in its G20 agenda the matter of ISDS, a critical legal framework that governs foreign investments. The current international investment regime is made up of more than 2,500 investment treaties and trade agreements with investment provisions. The central pillar of the regime is an investor-state dispute settlement (ISDS) mechanism, which allows foreign investors to bring claims against host governments if they consider that policy measures have undermined their business interests. The ISDS mechanism is designed to give security to foreign investors and therefore has been believed to attract foreign investment. The 1990s witnessed a surge in the number of newly signed investment treaties with ISDS.

However, ISDS then became controversial for decades as it puts corporate interests above other objectives and values, such as human rights, climate and envi-

ronment. Notably, fossil fuel investors have become the most frequent users of the system. With the urgency of the climate crisis, the need to stop the current investment treaty regime from hindering climate action has attracted much attention recently, resulting in several European countries exiting from the Energy Charter Treaty—the most invoked investment treaty in the world.

In the IEA's climate-driven scenarios (2021), over 70% of clean energy investment in emerging markets and developing economies (EMDEs) should come from the private sector by 2030. For most EMDEs, the role of international private finance is particularly important, but the current level of participation is well below its potential. However, investment treaties interrupt the necessary scaling up of cross-border investments in clean energy because they protect and therefore over-induce fossil investments. Just as with other existing norms such as the ones inherited from the Bretton Woods accord, the international investment regime as it stands no longer works in the fight against climate change. Sparked by the Energy Charter Treaty, there are some multilateral discussions at a technical level regarding how to fix the current regime. Addressing this at G20 would provide a political momentum to advance the agenda.

The starting point would be for G20 countries to recognize ISDS as a barrier to climate action and to commit to identifying ways to better align investment treaties with climate goals. Although recent G20 energy ministerial or finance ministerial documents have captured the importance of increasing international private finance, they have never shed a light on investment treaties and ISDS. Brazil could also lead the positive agenda of how to promote and facilitate investments that support climate action and guide discussions to adopt a set of guidelines, where it could disseminate its alternative treaty model and its practices among G20 countries.

Here too, Brazil is well positioned to drive this timely agenda. It is one of the most progressive countries in its approach to investment treaties and has never ratified any investment treaty with ISDS. As one of the largest FDI recipients but also a leading donor of renewable energy investment, Brazil can bridge interests of both capital exporters and capital importers. Championing the agenda of reshaping investment governance that works for climate would signal Brazil's commitment to clean energy investment. It would also be a good opportunity to show Brazil's leadership on shaping global rules in line with the Paris Agreement. With South Africa being another progressive State in the investment policy space, this agenda could continue in 2025 and further strengthen South-South leadership.

CLOSING REMARKS

The G20 is an economic forum with strong potential to steer the world in the right direction and deliver ambitious and impactful outcomes, but a lack of focus and unity of purpose has too often stood in the way of achieving that objective. President Lula has already stated the highest level of ambition to achieve global goals and tackle wicked problems. As the “premier forum for international economic cooperation,” the Brazilian G20 should deliver a clear and ambitious political consensus to respond to existing challenges, anticipate forthcoming ones, and enable thriving societies and economies. This includes framing increased climate ambition in relation to achieving other sustainable development goals, including food security, health, good jobs and other priorities. More broadly, landing major progress at the G20 on the clean energy transition and a new financial reform vision would reinvigorate a climate of trust and cooperation. ■

As the “premier forum for international economic cooperation,” the Brazilian G20 should deliver a clear and ambitious political consensus to respond to existing challenges, anticipate forthcoming ones, and enable thriving societies and economies.

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Climate Change & Just Energy Transition: What the North Can Learn from the South?

Syed Munir Khasru

Tércio Ambrizzi

Abstract: The G20, a group of the world's largest economies, has the unique potential to catalyze change in climate actions and a just energy transition. It is essential to consider the importance of these topics for the G20 and what to look forward to in Brazil's Presidency. The upcoming Summit presents a pivotal moment for G20 nations to unite in their resolve to combat climate change and steer the world toward a future defined by environmental sustainability and energy justice.

Keywords: climate change; energy transition, Global South, G20, South-South cooperation.

The world is facing an unprecedented challenge: climate change. It impacts people everywhere and transcends national boundaries. Its effects go well beyond the environment; they affect economies, cultures, and the lives of millions of people, resulting in a crisis that must be addressed right away. The majority of the impact falls on vulnerable groups, underscoring the need for a fair and sustainable energy transition.

The need for energy transition is indisputable. This world is on the verge of collapse due to the dependency on fossil fuels, widespread deforestation, and unsustainable agriculture methods. Not only are rising sea levels, severe weather, and biodiversity loss indicators of a planetary imbalance that need immediate attention, but they also serve as warnings. The areas of Africa, Latin America, and Asia together known as the Global South, remain resilient in the face of this catastrophe. Despite frequently experiencing the worst environmental deterioration, some areas have led the way in creative solutions, demonstrating resilience in the face of difficulty. The Global South faces economic challenges, but many countries in the South have made significant strides in combating climate change and achieving a just energy transition. Their experiences highlight the power of resourcefulness, community-driven initiatives, and a strong sense of urgency in the face of environmental crises.

On the other hand, in contrast to the Global South's innovative approaches, the Global North, often wealthier and more technologically advanced, has faced challenges in combating climate change and progressing towards a sustainable energy future. Unexpectedly, the affluence of these nations has, in some cases, hindered progress. Economic dependence on fossil fuel industries and established infrastructures has made it difficult for these countries to swiftly transition to renewable energy sources. Additionally, political and economic interests often clash, leading to slow policy changes and a reluctance to abandon lucrative but environmentally damaging practices. Furthermore, the Global North has a tendency to underestimate the urgency of climate action because they believe their affluence will protect them from immediate impacts. This complacency has hampered the essential proactive effort required to successfully prevent climate change. While significant progress has been achieved in the adoption of renewable energy and the reduction of emissions, it frequently falls short of what is required to meet the severity of the challenge.

Syed Munir Khasru is Chairman of the Institute for Policy, Advocacy, and Governance (IPAG).

Tércio Ambrizzi is Professor at the Institute of Astronomy, Geophysics and Atmospheric Sciences (IAG), Department of Atmospheric Sciences (DAS), University of São Paulo (USP).

This article will explore the vital issue of climate change and the pursuit of a fair energy transition through the lens of the Global South's experiences. By delving into their successful initiatives, policies, and community-driven approaches, this study aims to uncover invaluable lessons that the Global North can embrace. The Global South, often overlooked in climate change discussions, holds a treasure trove of wisdom. Despite facing marginalization, these nations offer valuable knowledge and practices that can shape our global path toward a sustainable future. Learning from the Global South's success while realizing the limitations and constraints that wealthier nations confront will pave the way for a more collaborative and inclusive global effort to tackle climate change and achieve an equitable energy transition. The 2024 G20 meeting in Brazil will be an excellent opportunity to analyze and review world procedures concerning climate change.

BACKGROUND AND SIGNIFICANCE

Climate change stands as one of the defining challenges of the 21st century, affecting every corner of the globe. Its consequences are not just environmental but extend into economic, social, and political realms. Rising sea levels, extreme weather events, and disruptions in agriculture are not hypothetical scenarios but the actual realities faced by communities worldwide. In this context, the imperative for a just energy transition, a shift from fossil fuels to sustainable and equitable energy sources, has never been more urgent.

Climatic changes have made the transition to renewable energy essential. However, energy transition in the globalized world is challenged by

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socioeconomic and cultural factors. Therefore, energy transition in the Global North-South dimension implies different energy transition plans to maintain socioeconomic resilience (Jain 2019).

The Global South, encompassing countries in Africa, Latin America, and Asia, stands resilient despite being disproportionately impacted by climate change. These nations, despite contributing the least to greenhouse gas emissions, bear the brunt of environmental challenges like loss of land and water scarcity. Despite these difficulties, they have become hubs of innovative solutions. Many countries in the Global South have set ambitious climate goals, such as transitioning to renewable energy and reducing greenhouse gas emissions. For example, India has set a target of achieving 450 GW of renewable energy by 2030 (Suri 2023). Additionally, Bangladesh has implemented a comprehensive climate adaptation plan that includes early warning systems for natural disasters and the construction of flood shelters (Huq & Adow 2022). During the last few decades, research on climate change has increased tremendously mainly due to the increasing awareness of the buildup of greenhouse gases as well as rapid alarming environmental transformation. In this regard, it is imperative to understand the regional-level manifestations of climate change for the more densely populated and less-explored, fast-developing regions of the Global South.

According to long-term climatic data, the bulk of the Global South is particularly susceptible and underprepared for the rising effects of climate change. Some of the specific implications include decreased precipitation patterns followed by rising temperatures and severe weather occurrences. Specifically, some areas, such as small low-lying islands in the Pacific, are more vulnerable to climate change and the impacts resulting from sea level rise. Furthermore, the concentration of population along the coast with limited access to resources and poor infrastructure makes this region more vulnerable (Sen Roy 2018). Despite all the obstacles and geographical disadvantages, Global South has significant progress and is very much aware of combating climate change. Moreover, Global South is also concerned about burning fossil fuels and is interested in investing in green energy transition.

This article (...) explores the invaluable lessons the Global North can learn from the Global South. Countries in the Global South are advocating for climate justice and demanding that the Global North take responsibility for the majority of emissions that cause climate change.

This article is significant because it explores the invaluable lessons the Global North can learn from the Global South. Countries in the Global South are advocating for climate justice and demanding that the Global North take responsibility for the majority of emissions that cause climate change. They are also demanding climate compensation from the wealthier West in the shape of funds that would help the Global South meet greenhouse gas emission goals (Suri 2023). Often sidelined in global discussions, the Global South has pioneered sustainable practices, community initiatives, and policies promoting climate resilience. Understanding these strategies is crucial for shaping effective policies worldwide. By fostering cross-cultural dialogue and bridging the knowledge gap, this article focuses on creating a deeper understanding of achieving a just energy transition for a sustainable future.

LATEST DEVELOPMENTS

In 2023, significant strides in climate action have been observed. The UN Climate Change Conference (COP28) in the United Arab Emirates (UAE) occurred in November 2023. As of this writing, it promised to be a pivotal event, concluding the first Global Stocktake of the implementation of the Paris Agreement, fostering transparent and inclusive dialogues, and shaping the global response to climate change.

The Biden-Harris administration in the United States has taken notable steps to combat climate change. New actions include integrating climate change impacts into federal budgeting, procurement, and environmental reviews. These measures signify a growing global recognition of the urgency to address climate change impacts.

This introduction sets the stage for a detailed exploration of how the Global South's experiences can guide the Global North in climate change mitigation and energy transition. The subsequent sections will delve into specific case studies, policy analyses, and recent advancements in renewable energy and green technology, forming a comprehensive narrative on this critical issue.

THE URGENCY OF ENERGY TRANSITION AND GLOBAL SOUTH'S RESILIENCE

The global dependency on fossil fuels has precipitated an ecological crisis. Unprecedented changes in climate patterns, rising sea levels, and loss of biodiversity are not just theoretical projections but observable realities. These indica-

tors of planetary imbalance necessitate an urgent shift towards sustainable energy sources. In the face of environmental calamities, the Global South has shown remarkable resilience. Countries in this region have led by example in devising creative solutions to combat climate change. India's ambitious renewable energy goals and Bangladesh's comprehensive climate adaptation strategies illustrate the proactive measures taken by these nations.

The Global South has seen a surge in renewable energy investments. Solar, wind, and hydroelectric power are increasingly being harnessed, reducing reliance on fossil fuels. For instance, in 2020, renewable sources accounted for a significant portion of global energy consumption, with solar power emerging as the most cost-effective electricity generation source worldwide. Asia, particularly, has witnessed substantial growth in renewable energy. Countries like the UAE are setting ambitious targets to expand their renewable capacity, exemplifying the region's commitment to a clean energy future. Sub-Saharan Africa, too, possesses immense renewable potential, offering an opportunity to address the energy needs of millions without access to electricity.

Contrasting the Global South's innovative approaches, the Global North, often wealthier and technologically advanced, faces its own set of challenges. Economic dependencies on fossil fuel industries and established infrastructures have impeded a swift transition to renewable energy. Political and economic interests often conflict, slowing down policy changes and the abandonment of environmentally harmful practices. The recent reduction in greenhouse gas emissions from the power sector in the U.S. marks a significant milestone. For the first time, emissions are expected to fall, owing to the expansion of renewables like solar and wind power. These developments highlight the potential for the Global North to accelerate its transition to renewable energy sources.

SOUTH-SOUTH COOPERATION AND INVESTMENT IN RENEWABLE ENERGY

The concept of South-South cooperation has been pivotal in accelerating climate change practices and the transition to green energy. This form of cooperation entails sharing knowledge and experiences related to climate change and adaptation among developing countries. It fosters solidarity and helps in identifying common challenges and solutions. This collaborative model has been instrumental in promoting climate resilience and sustainable development in the Global South.

Significant investments in renewable energy sources such as solar, wind, and hydroelectric power are reshaping the energy landscape of the Global South. Gov-

ernments and corporate sectors have joined forces to fund renewable energy projects, thus diminishing reliance on fossil fuels and curbing carbon emissions. Developing countries are expected to play a central role in future energy demand, with rapid population and economic growth driving this trend.

While North America, Europe, and China are major destinations for renewable energy investment, developing countries like India and Brazil also attract a significant share. However, other developing nations receive a smaller portion of the total investment, highlighting the need for equitable investment distribution in renewable energy globally. The Global South has recognized the necessity of innovation and investment in low-carbon production for a sustainable future. Countries have developed policies and strategies for mitigating greenhouse gas emissions and adapting to climate change effects. For instance, the UAE's goal to triple its renewable capacity by 2030 exemplifies such ambitious policy-making.

Engaging local communities in decision-making processes has been crucial in the Global South. Tailoring solutions to specific community needs ensures their effectiveness and sustainability.

Engaging local communities in decision-making processes has been crucial in the Global South. Tailoring solutions to specific community needs ensures their effectiveness and sustainability. Initiatives like community gardens, tree planting, and participatory Nature-Based Solutions (NbS) in informal settlements have demonstrated the power of local involvement in combating climate change. The National Adaptation Program of Action (NAPAs) is an international effort focusing on building resilience in developing and least-developed countries, including those in the Global South. These programs involve community participation in designing and implementing climate adaptation initiatives, showcasing the importance of inclusive strategies.

PROGRESS OF GLOBAL SOUTH IN COMBATING CLIMATE CHANGE AND TRANSITION TO RENEWABLE ENERGY

Despite economic difficulties, the Global South has made significant progress in combating climate change. Here are some major areas where substantial progress has been made:

Renewable Energy Transition: Many countries in the Global South have rapidly increased their capacity for renewable energy. Solar, wind, and hydroelectric power investments have surged, lowering dependency on fossil fuels. Renewable energy is growing in the Global South. In 2020, renewable sources accounted for 19.1% of total final energy consumption globally, representing a 2.4-percentage-point increase from 2015 (UN 2023). Solar power is now the cheapest source of electricity generation across almost the entire world.

India's Solar Energy Leadership: India has become a global leader in solar energy generation, operating multiple solar farms integrated into the national grid. This has significantly decreased the country's dependence on traditional energy sources (IRENA 2023b).

Asia's Pioneering Efforts: Asia has witnessed remarkable growth in renewable energy, with nearly half of the world's new capacity added in 2022 (Sieber 2023). The region now boasts an impressive 1.63 Terawatt (TW) of renewable capacity (Sieber 2023).

UAE's Ambitious Targets: The UAE has set ambitious targets, aiming to triple its renewable capacity to over 11,000 gigawatts by 2030. This initiative positions the UAE as a frontrunner in the global clean energy movement.

Sub-Saharan Africa's Renewable Opportunities: Sub-Saharan Africa holds enormous renewable potential, with over 1,000 times more capacity than its current energy demand (O'Hanlon & Locke 2023). This presents a significant opportunity to provide electricity to the 600 million people in the region who lack access to it (O'Hanlon & Locke 2023).

Affordable and Innovative Solutions: Innovations in renewable energy technology have resulted in inexpensive solutions adapted to the demands of communities. Off-grid solar systems and micro-grid efforts bring electricity to rural locations, ensuring energy access even in places with inadequate infrastructure (Broom 2023). These programs benefit local communities while reducing their carbon impact.

POSITIVE INITIATIVES AND INNOVATIONS IN THE GLOBAL SOUTH

Botswana's Climate Policy and Emission Reduction: Botswana is proactively addressing climate change by developing a comprehensive climate policy and strategy. The nation is committed to reducing greenhouse emissions by 15% by 2030, showcasing its dedication to sustainable practices and environmental stewardship (Geneva 2022).

Brazil's Bold Commitment to Environmental Conservation: Brazil has set ambitious goals to combat climate change, pledging a 43% reduction in greenhouse gas emissions by 2030 compared to 2005 levels (Brasília 2022). The country's multifaceted approach includes increasing energy efficiency in the electricity sector, promoting clean technology, achieving zero illegal deforestation in the Brazilian Amazonia, and restoring 12 million hectares of forests (Brasília 2022). Brazil's proactive stance highlights its determination to preserve its natural heritage for future generations.

Innovative Solar-Powered Water Supply in Afghanistan: In drought-stricken Afghanistan, an innovative solar-powered water supply network, supported by World Vision, is transforming lives (WVI 2022). This initiative provides safe drinking water and irrigation for hundreds of families, offering hope and sustainability to communities grappling with water scarcity (WVI 2022).

Kenya's Sustainable Agriculture Through Natural Regeneration: Climate change-induced challenges in Kenya, such as crop failures and drying rivers, have been met with resilience (WVI 2022). The introduction of Farmer Managed Natural Regeneration has revitalized the land, creating an "underground forest" of established roots (WVI 2022). This regenerative approach ensures a sustainable future, allowing communities to thrive for generations to come.

Philippines' Plastic Recycling for Education: The Philippines, previously a major contributor to ocean plastic pollution, has taken a transformative step. Through a partnership between World Vision and Procter and Gamble, 3.2 million plastic sachets and 870,000 plastic bottles were repurposed into more than 1,000 plastic school chairs (WVI 2022). This initiative not only addresses

plastic waste but also supports education, demonstrating a commitment to environmental conservation and community welfare.

Community-Led Initiatives: Climate advocacy has been spearheaded by communities in the Global South. Local activities include garbage management programs, water conservation projects, and environmentally friendly transportation choices. Grassroots movements increase awareness about environmental issues, advocate sustainable activities, and hold governments accountable for their environmental policies.

Global South's Advocacy for Climate Justice: Countries in the Global South are championing climate justice by demanding that the Global North take responsibility for the majority of emissions causing climate change. They also seek climate compensation from wealthier Western nations in the form of funds to help them achieve their greenhouse gas emission reduction goals (Suri 2023).

Bangladesh's Successful Climate Adaptation Initiatives: Bangladesh has implemented locally led adaptation measures, including cyclone shelters, early warning systems, and climate-resilient agriculture (USAID 2021). These initiatives have received recognition from the World Bank. Additionally, Bangladesh's updated Nationally Determined Contribution (NDC) encompasses multiple sectors, offering opportunities for a transition to clean energy and low-emission development activities (USAID 2021). Prime Minister Hasina's leadership as the Chair of the Climate Vulnerable Forum strengthens the country's role as a global advocate for climate action and adaptation (USAID 2021).

India's Ambitious Climate Action Plan: India's national action plan for climate change prioritizes renewable energy, energy efficiency, sustainable agriculture, and water management (Kugelman 2020). The country is advocating for increased climate action from industrialized nations while committing to its own initiatives. Climate finance from developed nations is expected to play a significant role in funding India's climate plan (Kugelman 2020).

China's Carbon Neutrality Pledge: China has pledged to achieve carbon neutrality by 2060 and has initiated various policies to reduce greenhouse gas

emissions (Kugelman 2020). The promotion of renewable energy and comprehensive climate strategies underscore China's commitment to climate action and environmental sustainability (Kugelman 2020).

Brazil's National Strategy for Climate Migration: Brazil has established a National Strategy for Climate Migration to address the impact of climate change on migration, ensuring the welfare and security of affected populations. Brazil is actively engaged in locally-led adaptation initiatives, including the promotion of climate-resilient agriculture and the development of early warning systems (UNDP nd). Their comprehensive climate change plan covers adaptation measures based on regional climate models and emphasizes the restoration and reforestation of 12 million hectares of forests for reduced greenhouse gas emissions and sustainable land use (Kossoy 2018).

Financial Support for Climate Initiatives: Bangladesh, Pakistan, and the Philippines are among the first recipients of a finance package aimed at immediate implementation after COP27 (Take & Bartlett-Imadegawa 2022). Germany and other partners have contributed at least 210 million euros to support these critical initiatives (Take & Bartlett-Imadegawa 2022).

HOW THE GLOBAL SOUTH ACHIEVED PROGRESS IN CLIMATE CHANGE AND JUST ENERGY TRANSITION?

The mentioned progress led to the Global South through several factors and achievements. Of course, it was not easy to achieve as well, and the geographical and economic disadvantages have always been a core concern for the Global South in achieving or combating climate change. These advantages have also been the cause of transiting to green energy because of its cost and lack of equipment to achieve just energy transition. Beyond these obstacles, Global South still made a good amount of progress in combating climate change and transit to renewable energy. The progress achieved by the Global South in climate change and just energy transition can be attributed to several key factors and strategies:

Implementation of Cost-Effective Solution: The Global South has implemented cost-effective climate change mitigation projects while ensuring an equitable energy transition via inventive tactics, strategic planning, and international collaboration. One method is to use benefit-cost models for climate change

adaptation initiatives, such as the one used in Durban, South Africa (Cartwright et al. 2013). This model found cost-effective adaptation techniques in the face of uncertainty and resource restrictions, guaranteeing efficient resource allocation (Cartwright et al. 2013). Furthermore, by harnessing regional knowledge and promoting local innovation, communities have been able to develop low-cost, effective solutions adapted to their unique climatic issues. In Bangladesh, for example, local people created floating gardens to adapt to flood-prone areas, assuring food security by allowing agriculture to continue during floods (Sales 2019). Furthermore, collaboration between governments and private firms has promoted healthy competition, which has resulted in technological breakthroughs and cost reductions in renewable energy projects. For example, India's collaboration with private enterprises on solar power projects like the Rewa Ultra Mega Solar Park has drastically cut solar rates, making solar energy more inexpensive and accessible (Bhaskar 2020).

The reduction of prices per unit, which has enabled the wider use of renewable energy sources, has been largely attributed to large-scale production. Proálcool, Brazil's ethanol initiative, is a prime example. It greatly decreased greenhouse gas emissions, brought about economies of scale, and resulted in cost reductions by encouraging the mass manufacturing of ethanol from sugarcane (Ninô de Carvalho 2013). Furthermore, Mozambique was able to create its ethanol sector at a reasonable cost because of South-South cooperation between nations like Brazil and Mozambique, where Brazil contributed its experience in ethanol manufacturing (Hartley et al. 2019). These kinds of partnerships demonstrate how well-pooled resources and knowledge can propel sustainable energy projects. A mix of innovative thinking, global cooperation, and legislative frameworks that support equitable and sustainable energy transition have fueled the execution of these affordable projects in the Global South. The effective implementation of these projects has been largely attributed to collaborations, learning from local experience, and making the ideal use of the resources at hand.

Adaptation to the Paris Agreement: Many countries in the Global South have implemented robust climate policies and ratified international agreements such as the Paris Agreement. Countries like Bangladesh, Brazil, China, Ethiopia, India, Indonesia, Kenya, Morocco, Peru, and South Africa have granted the Paris Agreement on climate change which consists of keeping the global temperature below 2 degrees Celsius above pre-industrial levels and pursuing efforts to limit the temperature increase even further to 1.5 degrees Celsius (UNCC nd). These commitments provide a framework for action and encourage the adoption of renewable energy sources and sustainable practices.

Influence of the South-South Cooperation: The South-South cooperation has also helped to accelerate climate change practices and adapt green energy transition to combat climate change. South-South cooperation has been instrumental in promoting climate adaptation and sustainable development in the Global South. South-South cooperation through knowledge sharing experiences related to climate change and climate adaptation helped to build South-South solidarity and help developing countries identify common challenges (Geneva 2022).

Investment on Renewable Energy: Significant investments have been made in renewable energy sources such as solar, wind, low-carbon energy, and hydroelectric power throughout the Global South. Governments and the corporate sector have collaborated to fund and promote renewable energy projects, thereby lowering dependency on fossil fuels and carbon emissions. Developing countries will play a central role, as 70% of the future energy demand is expected to come from non-OECD countries in 2040, thanks to rapidly growing populations and economies (Goldthau, Eicke & Weko 2020). Northern America and Europe are the top destinations for global investment in renewable energy. Within the developing world, the majority of investment goes to three countries: China, India, and Brazil. Other developing countries received only a small portion, accounting for 12% of the total investment volumes of US\$ 280 billion in 2017 (Goldthau, Eicke & Weko 2020). The Global South has recognized the importance of innovation, investment, and low-carbon modes of production in achieving a low-carbon future. This recognition has led to the development of policies and strategies for the mitigation of greenhouse gas emissions and adaptation to climate change effects.

Community Engagement and Local Solution: Involving local communities in decision-making processes and implementing locally-led initiatives has been crucial. By addressing the unique challenges faced at the community level, solutions have been tailored to specific needs, ensuring their effectiveness and sustainability. Global South has implemented several participatory Nature-Based Solutions (NbS) in informal settlements to combat climate change (Fuhr 2021). These initiatives involve community engagement in the design and implementation of NbS, such as community gardens and tree planting efforts (Fuhr 2021). Additionally, the National Adaptation Program of Action (NAPA) is an international effort to build resilience in developing and least-developed countries, including those in the Global South. NAPAs involve community engagement in the design and implementation of climate adaptation initiatives (Goldthau, Eicke & Weko 2020).

Furthermore, community-led renewable energy projects have been implemented in several countries in the Global South, including India and Brazil (Goldthau, Eicke & Weko 2020). These projects involve community engagement in the design and implementation of renewable energy projects, such as solar and wind power (Goldthau, Eicke & Weko 2020).

Global South has also implemented initiatives to promote sustainable energy access, including the development of off-grid renewable energy systems and the promotion of energy-efficient appliances (Goldthau, Eicke & Weko 2020). These initiatives involve community engagement in the design and implementation of sustainable energy access initiatives. Moreover, the Global South has undertaken various local initiatives and community engagement programs to adapt to just energy transition (Goldthau, Eicke & Weko 2020). These efforts include South-South cooperation, improvements in energy efficiency, community-led renewable energy projects, advocacy for just energy transition, and sustainable energy access (Goldthau, Eicke & Weko 2020). These initiatives collectively demonstrate the Global South's commitment to addressing climate change and promoting sustainable development.

People from the Global South have been speaking up loudly, asking developed countries to take responsibility for their past emissions and their role in causing climate change. This advocacy has made more people around the world aware of the issue and has led to increased support for climate action in the Global South. These countries realize the urgent need to adapt to the effects of climate change, so they have come up with different strategies. They're creating early warning systems to protect their communities, building strong infrastructure that can withstand the changing climate, encouraging sustainable farming practices, and finding solutions to tackle water scarcity. These efforts are all part of their commitment to dealing with the challenges posed by climate change in a proactive and effective way.

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LESSONS FROM GLOBAL SOUTH

As the Global South has its barriers to progress in combating climate change and adapting to renewable energy, there are notable lessons to learn from the progress the South made with their cost-effective solutions and innovative ideas. Let's explain the lessons to learn from the global South through three different case studies.

Case Study 1.1: Renewable Energy Transition to Sub-Saharan Africa

Sub-Saharan Africa is at a pivotal crossroads in its development, and its choice of energy for the future will be decisive in achieving its sustainable development goals. Universal access to clean and affordable energy is critical for economic development in Sub-Saharan Africa to improve livelihoods, overcome gender issues, provide public services, enable industry development, and ensure environmental sustainability.

Expansion of Clean Energy Access

Off-Grid Solar Systems in Benin: ENGIE Energy Access and the European Investment Bank installed 107,000 solar home systems, benefiting 643,000 people. This initiative significantly reduced energy poverty and increased electricity availability in the region (Nuno 2022).

Solar-Powered Communities in Kenya: Companies like BBOXX, Azuri Technologies, M-KOPA, and Greenlight Planet introduced solar panels and mini-grids in Kenyan towns, improving energy reliability and reducing dependence on polluting energy sources (Koigi 2021).

Booming Utility-Scale Solar Projects: Several African countries, including Zimbabwe, Zambia, and Nigeria, invested in over 7,600 solar projects, with 1,000 operational. These initiatives increased renewable energy capacity, reducing reliance on fossil fuels (Rodríguez 2021).

Community-Centric Energy Initiatives

Mega Solar Initiative in Southern Africa: A collaborative effort focusing on large-scale solar projects, providing affordable electricity to rural communities. This program addresses energy disparities and serves as a model for regions facing similar challenges (Ambole et al. 2021).

Energy Communities in Sub-Saharan Africa: Decentralized renewable energy initiatives empower communities through off-grid and micro-grid technologies. Supportive policies and regulations are crucial for these projects to thrive, ensuring local engagement and sustainable development (Ramalope 2022).

Lessons to Learn From Progress in Sub-Saharan Africa

Policy Support and Enabling Environment: The success of renewable energy initiatives in Sub-Saharan Africa underscores the critical role of supportive policies and regulations. Governments and international organizations must collaborate to create an enabling environment that encourages the deployment of clean energy solutions. Clear, consistent policies can attract investments and drive the growth of renewable energy projects, ultimately benefiting local communities.

Community Engagement and Collaboration: Community-centric approaches, as demonstrated by various solar projects and energy communities, highlight the importance of engaging with local populations. Collaborative efforts involving governments, private sector entities, and local communities are essential. These partnerships ensure that energy solutions meet the specific needs of the people, enhance local participation, and create sustainable socioeconomic impacts. Engaging communities in the planning and implementation phases fosters a sense of ownership and promotes the long-term sustainability of clean energy initiatives.

Case Study 1.2: Sustainable Agriculture and Climate Resilience in Southeast Asia

Sustainable farming techniques encourage biodiversity, sustainable land management, and climate resilience, and have been successfully adopted for decades by farmers and networks throughout Southeast Asia, making it essential to the area. Sustainable agriculture is a method of producing clean, healthy, and nutritious food while protecting the environment, equitably distributing economic resources, and assuring the health and safety of not just the food produced but also the health and safety of agricultural communities.

Promotion of Sustainable Agricultural Practices

Integrated Rice-Fish Systems: Malaysia, Indonesia, Vietnam, the Philippines, Laos, and Thailand are among the Southeast Asian countries that have

implemented integrated rice-fish systems (Report 2023). Rice and fish are grown in the same fields under these systems, fostering biodiversity and sustainable land management (Report 2023). This strategy not only assures food security but also promotes sustainable agriculture and environmental protection.

Preservation of Traditional Rice Strands and Organic Farming: Farmer organizations and civil society networks in Thailand have actively protected and improved traditional rice varieties, boosting agrobiodiversity and climate resilience (Chiengkul 2022). Furthermore, groups such as MASIPAG in the Philippines have aided in the shift to organic farming and the promotion of traditional rice types (Chiengkul 2022). These projects increase agricultural diversity, assuring crop resilience in the face of climate change, and aiding small-scale farmers (Chiengkul 2022).

Implementation of ASEAN Guidelines on Sustainable Agriculture

ASEAN Guidelines Adoption: In October 2022, ASEAN members adopted guidelines on sustainable agriculture recognizing the challenges of undernourishment and inequitable food distribution (Bernabe 2015). The guidelines emphasize producing clean, healthy, and nutritious food while preserving the environment and ensuring the well-being of farming communities (Bernabe 2015). They focus on efficient resource use, including water, land, and energy, promoting sustainable agriculture practices across the region.

Supportive Policies and Economic Diversification: Southeast Asian countries have begun to embrace supporting policies that go beyond short-term initiatives (Chiengkul 2022). Weather index insurance plans, for example, lower production risks while boosting climate-resilient agriculture. Furthermore, the emergence of eco- and agritourism in nations such as Laos represents economic diversification (Chiengkul 2022). Farms invest tourism income in sustainable agriculture, educating farmers, and building local green markets (Chiengkul 2022).

Lessons to Learn From Progress in Southeast Asia

Promotion of Agrobiodiversity and Integrated Farming Systems: The success of integrated rice-fish systems, as well as the preservation of traditional rice strands, highlight the value of agrobiodiversity. Including a variety of crops and animals not only provides food security, but it also improves ecosystem resilience.

Southeast Asian countries may improve their agricultural sustainability by fostering integrated farming techniques and protecting local plant types.

Holistic Approach and Supportive Policies: The adoption of comprehensive guidelines by ASEAN underscores the need of a complete approach. Sustainable agriculture entails more than simply food production; it also includes environmental conservation, economic diversification, and community well-being. Southeast Asian governments should continue to develop and implement supportive policies, such as weather index insurance and eco-tourism projects, to promote climate-resilient agriculture. These regulations, which emphasize the significance of sustainable agricultural techniques and community interaction, might serve as examples for other regions experiencing similar difficulties.

Case study 1.3: Indigenous Knowledge and Climate Mitigation in Latin America

Innovative approaches to social inclusion, sustainable development, and climate change mitigation are reshaping the landscape of Latin America. This collaborative attitude has not only resulted in great accomplishments but has also taught the global society crucial lessons. In this context, we look at the extraordinary progress made in Latin America, throwing light on intercultural collaboration experiences and the lessons learnt from these revolutionary projects.

Intercultural Collaboration for Social Inclusion and Sustainable Development: The FAO's initiatives in Latin America emphasize collaborative efforts with indigenous and Afro-descendant communities, national governments, and local stakeholders. These programs focus on eradicating hunger, reducing inequalities, and promoting rural development. Ten scalable intercultural collaboration experiences have showcased the synergy between ancestral knowledge and scientific innovation, highlighting the efficiency and effectiveness of working together. This approach ensures the active participation of men, women, and youth from indigenous and Afro-descendant backgrounds, fostering social inclusion and sustainable development.

Harnessing Indigenous Knowledge in Climate Change Mitigation: Climate change has disproportionately affected the ancestral lands of over fifty million indigenous people in Latin America. Recognizing the imminent environmental

degradation, special measures are necessary to safeguard the rights of indigenous communities over their lands and resources. Integrating indigenous knowledge into climate solutions is crucial. Initiatives must involve the active engagement of indigenous and Afro-descendant communities. Co-development of climate mitigation and adaptation projects, coupled with early outreach to tribes, empowers these groups. Despite their vulnerability to natural disasters and climate-related agricultural challenges, their ancestral knowledge and territorial practices position them as invaluable allies in climate change mitigation efforts.

Lessons Learned From Progress in Latin America

Inclusivity and Collaboration for Sustainable Development: The success of intercultural collaboration initiatives emphasizes the importance of inclusivity in decision-making processes. Collaborative efforts involving indigenous and Afro-descendant communities, governments, and local stakeholders drive sustainable development. Embracing diverse perspectives and engaging with indigenous knowledge lead to more effective and culturally sensitive solutions. The active involvement of all stakeholders ensures the success and sustainability of social and environmental programs.

Preserving Indigenous Wisdom for Climate Resilience: Latin America's experience underscores the significance of preserving and integrating indigenous wisdom into climate change strategies. Acknowledging the unique challenges faced by indigenous and Afro-descendant communities, early and continuous involvement in climate-related initiatives is essential. This proactive approach not only empowers these communities but also enriches climate change mitigation efforts with valuable traditional knowledge. The global community can learn from Latin America's approach to climate action, emphasizing respect for indigenous rights, fostering collaboration, and leveraging ancestral wisdom for a sustainable future.

WHAT THE NORTH CAN LEARN FROM THE SOUTH

The global climate issue requires immediate and effective action from all nations, and the Global South's exceptional accomplishment in mitigating climate change and achieving an equitable energy transition provides essential lessons for the wealthier Global North. The North may acquire insights into new techniques and collaborative approaches required for solving the climate emergency by evaluating the South's successes, including cost-effective measures and legislative lobbying.

Cost Effective Measures

Local Innovation and Resourcefulness: One of the most important lessons the Global North can learn from the South is the value of local innovation and resourcefulness. For example, in Rio de Janeiro, Brazil, the city government has implemented a program to reduce the risk of flooding and landslides in informal settlements (Carmin, Angelovski & Roberts 2012). Communities in the Global South have invented innovative, cost-effective strategies to adapt to climate change. For example, Bangladesh, a country severely vulnerable to sea-level rise, has constructed floating gardens to preserve agricultural yield even during floods (Sunder 2020). These locally driven programs demonstrate the success of basic, low-cost solutions customized to unique geographical concerns (Sunder 2020).

Community-Led Renewable Energy Projects: The Global South has excelled in implementing community-led renewable energy initiatives. For example, India's rural communities have embraced decentralized solar power systems, enabling energy access in remote areas (Purkayastha, Nirmal & Gautam 2021). South Africa and Antigua and Barbuda are attempting to illustrate the benefits of a whole-of-society approach in which a diverse range of stakeholders participate in developing a common vision for, and paths to, equitable transition (UNDP Global 2022). Capacity-building efforts to strengthen national skills capacity, particularly for women and youth, are assisting the green employment revolution in India (UNDP Global 2022). These projects, often managed by local communities, not only provide clean energy but also create jobs and stimulate economic growth. The North can learn from these models, emphasizing community involvement in renewable energy initiatives for widespread adoption and success.

Low-Cost, High-Impact Interventions: Many Global South countries have implemented low-cost, high-impact interventions that yield substantial environmental benefits. Brazil's efforts to reduce deforestation in the Amazon through satellite monitoring and enforcement serve as a prime example (UCS 2011). Such measures, emphasizing monitoring and enforcement, can be instrumental for the North in preserving vital ecosystems and biodiversity.

Policy advocacy and Climate Justice

Climate Justice Advocacy: The Global South has been a strong advocate for climate justice, demanding that the Global North take responsibility for historical

emissions and provide financial and technological support. South-led initiatives like the Climate Vulnerable Forum highlight the urgency of climate action and underscore the need for collective responsibility. For example, the Pacific Islands Students Fighting Climate Change has been advocating for climate change in the Pacific Islands (Ituarte-Lima, Aryani & Paul 2022). Young people in the Global South are playing an increasing role in tackling the triple crises of climate change, biodiversity loss, and pollution, and securing their right to a healthy environment (Ituarte-Lima, Aryani & Paul 2022). The North can learn from this advocacy, recognizing the moral imperative of supporting vulnerable nations and communities disproportionately affected by climate change.

Policy Innovation and Implementation: Global South nations have showcased innovation in climate policies. For example, Costa Rica has implemented policies promoting reforestation and afforestation, leading to significant carbon sequestration (Subak 2000). Emphasizing policy innovation, particularly in areas like afforestation and sustainable land use, can guide the North in developing comprehensive climate strategies.

Investment in Climate Resilience: Climate resilience efforts, such as early warning systems and catastrophe preparedness, have been funded by countries in the Global South (WBG 2022). Bangladesh has excellent cyclone shelters and warning systems (Kazi & Urrutia 2022). These efforts can teach the North about the value of preparedness and resilience-building in reducing the impact of catastrophic weather occurrences.

Climate Finance and Green Investments: The Global South's emphasis on climate finance and green investments is pivotal. For instance, Ethiopia's Green Legacy Initiative aims to combat deforestation and promote afforestation (Gamtessa 2023). The Global North can draw inspiration from such initiatives, focusing on financial mechanisms that incentivize sustainable practices and green technologies.

Flexible and Adaptive Strategies

Adaptation to Local Contexts: The South's ability to adapt global climate strategies to local contexts demonstrates flexibility (Gamtessa 2023). The North can learn to tailor policies to regional and local needs, ensuring that solutions resonate with diverse communities and ecosystems.

Resilience in Agriculture: South's adoption of climate-resilient farming practices, such as drought-resistant crops, can inspire Northern farmers. Implementing similar techniques in regions susceptible to climate change effects can safeguard food security.

Effective Utilization of Renewable Resources

Harnessing Biomass Energy: Many South countries efficiently utilize biomass energy sources, converting agricultural waste into clean energy (Zafar 2022). Northern nations can explore similar biomass energy solutions to reduce dependence on fossil fuels.

Promotion of Small-Scale Renewable Projects: The South's success in implementing small-scale renewable energy projects, like micro-hydroelectric systems, can be replicated in the North (Zafar 2022). These projects often provide localized, sustainable energy solutions for remote areas.

Preservation of Biodiversity and Ecosystems

Conservation Efforts: South's conservation projects aimed at preserving biodiversity-rich regions serve as models. Wildlife Conservation Bond (WCB) is a project that supports the financing of activities to protect and grow critically endangered species, such as black rhinos, in South Africa (Pretoria 2022). Botswana has been ranked as the top country in the world for conservation, with a diverse range of wildlife, including one of the largest elephant populations on the continent. The country has implemented strict regulations and conservation measures to protect its wildlife and natural habitats (Foxe 2017). The North can invest in preserving its biodiversity and collaborate internationally to protect shared ecosystems.

Restoration Initiatives: South's initiatives in restoring degraded ecosystems, such as reforestation projects, provide essential lessons. The Global South has engaged in large-scale afforestation and reforestation projects to restore degraded lands and increase forest cover. These projects involve planting new trees or allowing natural regeneration to occur (Fagan et al. 2020). The North can initiate large-scale restoration efforts to mitigate the impacts of deforestation and habitat destruction.

Promotion of Green Innovation

Incentives for Green Technologies: South's provision of incentives for green innovations and startups fosters entrepreneurship. Bangladesh has been implementing green business initiatives to support green entrepreneurs. These initiatives include providing access to finance, technical assistance, and market opportunities for green startups. China has been implementing policies and programs to support green entrepreneurship. These include providing access to finance, technical assistance, and market opportunities for green startups. The North can create similar incentive structures to promote technological advancements in renewable energy, energy efficiency, and sustainable agriculture.

Technology Transfer and Capacity Building: The South's collaborations with international partners for technology transfer and skill development are vital. The United Nations Conference on Trade and Development (UNCTAD) has emphasized the importance of South-South technological collaboration for stimulating technological growth in the developing world (Geneva 2012). China's rise has challenged the North-South technology transfer paradigm for climate change mitigation and low carbon energy (Urban 2018). The North can engage in similar partnerships, facilitating the exchange of expertise and promoting innovation in climate-related sectors.

HOW G20 CAN ACCELERATE GLOBAL CLIMATE ACTIONS AND JUST ENERGY TRANSITION?

The G20, a group of the world's largest economies, has a crucial role to play in addressing climate change and promoting a just energy transition. It is essential to consider the importance of these topics for the G20 and what to look forward to in Brazil's Presidency. The G20 has already taken significant steps towards adopting renewable energy and combating climate change. For example, leaders have agreed to triple global renewable energy capacity by 2030, aligning with recommendations from the International Renewable Energy Agency (IRENA 2023a).

Additionally, the G20 has emphasized the need for a just, sustainable energy transition, with focus on technology sharing and low-cost financing for developing countries (UNEP 2023). However, there are still challenges and opportunities for the G20 to address. A key concern is the lack of consensus among G20 nations on key climate commitments, which threatens to hinder global efforts to limit warming to 1.5 °C (Tripathi & TRF 2023). Despite these challenges, the G20 has the poten-

tial to make a significant impact on climate change and clean energy transition by adopting a unified approach to cutting emissions and moving from fossil fuels to clean energy (Tripathi & TRF 2023).

Technology sharing emerges as a crucial facet of the G20's role in fostering a just energy transition. By facilitating the exchange of green technologies among member nations, the G20 can stimulate innovation and propel the development of sustainable energy solutions. Low-cost financing mechanisms, endorsed by the G20, can further catalyze the deployment of renewable energy infrastructure, particularly in regions facing economic constraints. This inclusive approach ensures that the transition to clean energy is not only rapid but also equitable, addressing the energy needs of diverse communities worldwide.

The G20 summit serves as a diplomatic forum where member nations can collaborate to overcome geopolitical challenges that may impede progress on climate and energy goals. Building trust and fostering international cooperation are essential components of the G20's role in mitigating climate change. By championing a unified and collective approach, the G20 can demonstrate the power of international collaboration in addressing shared challenges, reinforcing the interconnectedness of nations in the face of a global crisis.

The G20 has the unique potential to act as a catalyst for change in climate actions and energy transitions. By embracing ambitious commitments, facilitating technology transfer, providing financial aid, and fostering international cooperation, the G20 can spearhead a transition to a more sustainable and equitable global energy landscape. The upcoming Summit presents a pivotal moment for G20 nations to unite in their resolve to combat climate change and steer the world toward a future defined by environmental sustainability and energy justice.

CONCLUSION

In summary, mitigating climate change and ensuring a just energy transition involves a collaborative effort that transcends geographical boundaries and economic imbalances. The Global South's experiences and inventions provide significant lessons for the rest of the globe. The Global South illustrates that proactive initiatives anchored in community involvement and sustainable practices may have a huge impact, from pioneering renewable energy solutions to strengthening community resilience.

The Global North has a tremendous potential to learn from the triumphs of the Global South. The South's cost-effective policies, policy advocacy, commu-

nity-centered initiatives, and creative strategies serve as lights pointing the way to a more sustainable future. The North can bridge the gap between ambition and action in climate change mitigation and energy transition by embracing a collaborative culture, implementing flexible and adaptable policies, and empowering local communities. The article is about more than simply sharing knowledge; it is about a common commitment to safeguarding our world for future generations. Climate change concerns have no boundaries, and our remedies must be as linked as the issues themselves. The Global North may enrich its approach, stimulate global collaboration, and get closer to a society where environmental sustainability and social fairness coexist in harmony by learning from the Global South.

The story of climate change and just energy transition is ultimately one of resilience, inventiveness, and solidarity. It's a scenario in which the North and South, each with their own set of abilities, come together to rewrite the story of our planet's destiny. Together, we can build a world in which clean energy brightens every corner, communities live in harmony with nature, and the lessons of the Global South guide mankind toward a brighter, greener tomorrow. ■

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Accelerating Sustainable Development with Convergence of SDGs, Localization and Lifestyles

Sachin Chaturvedi

Abstract: This paper aims to undertake a critical analysis of the convergence between the Sustainable Development Goals (SDGs) and localization of development, with an overview of the India G20 Presidency role in accelerating the SDGs and its interconnectedness with the concept of Lifestyle for Environment (LiFE) for Sustainable Development. For the 2024 G20, Brazil has the most opportune moment for taking up critical issues faced by the Global South and shaping the global discourse accordingly.

Keywords: G20 India; G20 Brazil; LiFE; SDGs.

The phase for G20 Southern-led Presidencies began with the Presidency of Indonesia in 2022, India (2023), followed by Brazil (2024) and South Africa (2025). The Indian Presidency has made efforts in taking forward issues that Indonesia very effectively placed on the G20 table. The Indian G20 Presidency would always be remembered as the People's Presidency. With almost 185 official meetings and 230 meetings in 57 destinations in total, it has created records of its own kind. India has also added a working group on Disaster Risk Resilience (DPR) and Engagement Group on Startup 20.

With Covid crisis almost over and most of the economies coming out of the challenges faced last year, Brazil has the most opportune moment for taking up critical issues faced by the Global South and shaping the global discourse accordingly. It is in this context that the role of G20 leadership assumes great significance. Developing nations are deeply concerned about the increasing fragmentation of the international landscape and aspire to have an equal voice in the international development discourse. Brazil's priority to address social inclusion and the fight against hunger, energy transition and sustainable development in its three aspects of social, economic and environmental, and reform of global governance institutions are most timely choices and should be taken forward with well-conceived initiatives.

The Sustainable Development Goals (SDGs) remain the most recognizable framework of collective global action towards sustainable development and well-being, and all attendant benefits of equity, shared prosperity, nature rejuvenation, One Health, global cooperation, and citizen partnership, ideally conforming to sustainable consumption and production. With many of the G20 countries involved in formalizing the United Nations (UN) 2030 Agenda for Sustainable Development and developing the global

Brazil has the most opportune moment for taking up critical issues faced by the Global South and shaping the global discourse accordingly. It is in this context that the role of G20 leadership assumes great significance.

Sachin Chaturvedi is Director General of the Research and Information System for Developing Countries (RIS), New Delhi.

indicator framework, the grouping exhibits proactive and strong leadership in localizing and implementing the SDGs. This commitment is driven by the alignment of globally agreed goals with the national development agenda.

The adoption of the SDGs has prompted a global shift towards localizing these objectives. This entails transferring the implementation of SDG-related actions from national governments to local levels. The essence of localizing the SDGs lies in empowering local governments to take charge of critical areas like food security, water supply, sanitation, and waste management. In the pursuit of the 2030 Agenda for Sustainable Development, the emphasis on localizing reflects the understanding that local governments are well-positioned to engage diverse stakeholders—NGOs, the private sector, and local communities. In developing and least developed countries (LDCs), local governments play a pivotal role in delivering essential services directly or indirectly linked to the SDGs. Success in achieving these global goals hinges on collaborative efforts involving various societal players, including local governments, government agencies, the commercial sector, and civil society.

This paper aims to undertake a critical analysis of the convergence between the SDGs, the localization of development, and its interconnectedness with the concept of Lifestyles for Sustainable Development. The first section presents an introduction to the SDG Agenda 2030 and localization of development, while the following section provides an overview of the localization of initiatives in India, and the India G20 Presidency role in accelerating the SDGs. The next section delves into various facets of Lifestyle for Environment (LiFE), while the following explores areas where Brazil has prevailed in mobilizing partnerships viz. through triangular cooperation. The last section concludes with the way forward.

SUSTAINABILITY AND LOCALIZATION OF DEVELOPMENT

Approaching sustainability through SDGs and localization is characterized by interconnected verticals which are operational at the national and sub-national levels. They include creating institutional ownership; establishing robust review and monitoring systems; developing capacities to integrate and encouraging collaboration across diverse sectors.

However, the prescribed nature of the SDGs, with a top-down approach to benchmarking and monitoring, has created tensions at the local level, leading to puzzlement and sometimes resentment. The challenge lies in reconciling the global sustainability agenda with unique local conditions during implementation. The existing literature on SDG localization acknowledges these tensions but struggles to provide a clear way forward. The solution involves exploring opportunities and

drawing from the untapped potential within emerging networks of local actors. There is a need to advocate for a global empirical data aggregation on local sustainable solutions, complementing the top-down SDG agenda. The key proposal is to address the diversity of local needs by leveraging the diversity of local solutions through lifestyle changes, confirming sustainable consumption and production patterns, One Health, and leveraging global digital infrastructure.

The commitment towards SDGs was recently reinvigorated during India's G20 Presidency, where countries adopted the G20 2023 Action Plan to Accelerate Progress on the SDGs, including its High-Level Principles. The Indian Presidency of the G20 played a crucial role in facilitating the inclusion of the African Union, underscoring Africa's integral role in the global economy. Commitments extend to fortifying relations with the African Union, aligning with Agenda 2063, and supporting initiatives like the G20 Compact with Africa and the G20 initiative for industrialization in Africa and LDCs.

The G20 prioritizes technology's transformative role with endorsements for the G20 Principles on Harnessing Data for Development (D4D) and the launch of the Data for Development Capacity Building Initiative. Commitments extend to affordable financing, sustainable biofuels, and support for reliable energy supply chains, emphasizing initiatives like the Global Biofuels Alliance. The Green Development Pact, agreed by the leaders, highlighted the pivotal role of Digital Public Infrastructure (DPI) in fostering inclusive and sustainable development through interoperability and data flow trust.

The Indian G20 Presidency has taken up LiFE as one of the core areas for redefining the development pathways. The G20 Leaders Declaration emphasized on Mainstreaming Lifestyles for Sustainable Development and endorsed the G20 High-Level Principles (HLPs) on Lifestyles for Sustainable Development, which was adopted in the Development Ministers Working Group meeting at Varanasi. The commitment to sustainable development, outlined in the G20 High-Level Principles on Lifestyles for Sustainable Development, calls for robust collective actions to promote the global adoption of sustainable production and consumption patterns. Specific actions include the active implementation of the G20 High-Level Principles, support through international cooperation and financial aid, encourage International Organizations to incorporate the HLPs into their programmes, and endorsement of initiatives like "Travel for LiFE", all emphasize the necessity of collaborative global efforts and supportive policies for attaining a sustainable and environmentally conscious future (G20 India 2023b). Furthermore, under India's Presidency of G20, a unique task force on LiFE has been constituted under the T20 process: Task Force 3 on LiFE, Resilience and Values for Well-being. The Task Force

addresses global challenges undermining SDGs, including poverty, food security, health, and well-being, emphasizing the imperative for strong ethical and sustainability frameworks. Priority areas, which this task force deliberated on, were Circular Economy, Food Security, One Health, Infrastructure Financing, International Financial Institutions, and going beyond GDP (G20 India 2023c). The task force was a pioneering effort for giving a multidisciplinary conceptual framing towards an idea of environmentally conscious lifestyle.

MAINSTREAMING LIFESTYLES FOR SUSTAINABLE DEVELOPMENT

Centrality of the concept of sustainability assumed key importance in the evolution of various facets of SDGs. Lifestyle for Environment, built upon the concept of sustainable lifestyle, was first unveiled in COP26 in Glasgow as an individual-centric behavioral movement, but eventually expanded into a new economic model. While announcing the LiFE campaign, the Prime Minister of India stressed: “This can become a mass movement of environmental conscious lifestyle. What is needed today is mindful and deliberate utilization, instead of mindless and destructive consumption.” LiFE is a pioneering pathway which recognizes the central role of individuals and communities in driving human development and fostering behavioral changes essential for nature’s revival. The idea of lifestyles came to the forefront due to the disparities one sees in consumption patterns of individuals and communities which have been historically influenced by lifestyle choices. Gradually it extends to encompass the aspect of intragenerational and intergenerational considerations, recognizing that sustainability and equity are two sides of the same coin. LiFE encourages a shift away from resource-extractive production processes toward resource-regenerating systems.

Sustainable Consumption and Production (SCP) and Circular Economy

LiFE incorporates various facets which are interlinked and interoperable. The first and foremost is the shift towards sustainable consumption and production patterns and operationalization of a circular economy framework. As defined by the UN Environment Programme (UNEP), “SCP is a holistic approach to minimizing the negative environmental impacts from consumption and production systems while promoting quality of life for all” (UNEP 2016). The three principles of SCP—namely, improving quality of life without increasing environmental degradation; decoupling economic growth from environmental degradation; and applying life-cycle thinking—balance the developmental needs on the one hand, whilst charting out a trajectory for sustainable consumption and production patterns on the

other. The approaches of SCP are particularly discussed within the framework of Circular Economy (CE), where the economy is reconstructed on the 3 R's—Reduce, Reuse and Recycle—which gives an alternative economic vision from the mainstreamed linear model of production. MacArthur, E. (2013) refers to the circular economy as “an industrial economy that is restorative by intention; aims to rely on renewable energy; minimizes, tracks, and eliminates the use of toxic chemicals; and eradicates waste through careful design.”

The key principles of a circular economy—designing out waste, building resilience through diversity, relying on energy from renewable sources, thinking in “systems,” and waste is food—provide a concrete trajectory for systemic transformation. Several such models of circular economy have been explored in China and the European Union (see Heshmati 2017 & Mhatre et al. 2021). According to Lacy and Rutqvist (2015), the Circular Economy could generate US\$ 4.5 trillion of additional economic output by 2030. The study also pointed out that the existing status quo in business practices will lead to a global shortage of eight billion tons in the balance of natural resource supply and demand by 2030. This deficit mirrors the total resource utilization in North America during 2014, and could result in a substantial economic growth loss of US\$ 4.5 trillion by 2030, potentially escalating to US\$ 25 trillion by 2050. The G20 New Delhi Leaders Declaration has put a special emphasis on the Circular Economy. The paragraph on *Designing a Circular Economy World* highlights the critical role of Circular Economy in promoting SCP. The declaration prioritizes decoupling economic growth from environmental degradation through circular economy practices. The initiative Resource Efficiency and Circular Economy Industry Coalition (RECEIC) was also launched in this regard. It involves efforts to improve waste management, achieve substantial waste reduction by 2030, and prioritize zero waste initiatives, aligning with the principles of Sustainable Consumption and Production (G20 India 2023a).

The Sustainable Development Goal 12 maps countries' progress towards Sustainable Consumption and Production patterns through various SDG indicators. The recent UNSG report (2023) *Progress Towards the Sustainable Development Goals: Towards a Rescue Plan for People and Planet* highlights that, in 2019, the total material footprint was 95.9 billion tons, close to the world's domestic material consumption of 95.1 billion tons. It also highlights the divergence between the Global North and Global South vis-à-vis their material footprint and their domestic material consumption. Northern America and Europe have about 14% higher material footprint than domestic material consumption, while in Latin America and the Caribbean and Sub-Saharan Africa, the material footprint was lower than domestic material consumption by 17% and 32%, respectively.

Lifestyle plays an important role in carbon emission contribution, and similar divergences have been analyzed in the recent United Nations Environment Programme (UNEP) *Global Emission Report 2020*. According to the report, current per capita consumption emissions in the United States of America are approximately 17.6 tons CO₂e per capita, around 10 times that of India at 1.7 ton per capita. Various estimates indicate a significant correlation between income and emissions, revealing a highly unequal global distribution of consumption emissions. Studies suggest that the top 10% of income earners contribute approximately 36–49% of the global total emissions, while the lowest 50% account for about 7–15% of emissions (Chakravarty et al. 2009; Chancel & Piketty 2015; Oxfam 2015; Hubacek et al. 2017; Dorband et al. 2019; Kartha et al. 2020). The disparity is even more pronounced among the highest-income, highest emitters, with the combined emissions share of the top 1% likely exceeding that of the bottom 50%. Nearly half of the consumption emissions from the global top 10% and 1% are linked to citizens in high-income countries, with the remaining portion associated with citizens in middle-income countries (Chancel & Piketty, 2015; Kartha et al. 2020). The results of the Oxfam and Stockholm Environment Institute (Kartha et al. 2020) are detailed on Table 1.

2015							
Top 1%	15%	Top 10%	49%	Middle 40%	44%	Bottom 50%	7%
North America	5.7%	North America	16%	China	17.5%	India	2.5%
Middle East and North Africa	2.7%	Europe	8.5%	Europe	5.8%	China	2%
China	2.1%	China	7.3%	North America	4.6%	Other Asia	1.1%
Europe	1.6%	Other Asia	4.7%	Other Asia	4.6%	Sub-Saharan Africa	0.68%
Russia/Central Asia	1.2%	Middle East and North Africa	4.5%	Russia/Central Asia	3.2%	Middle East and North Africa	0.49%

India	0.8%	Russia/ Central Asia	2.6%	Middle East and North Africa	3%	Latin America	0.2%
Latin America	0.6%	India	1.9%	India	2.4%	Europe	0.1%
Other Asia	0.4%	Latin America	1.3%	Latin America	2.2%	Russia/ Central Asia	0.1%
Sub-Saharan Africa	0.3%	Sub-Sahara Africa	0.9%	Sub-Sahara Africa	0.8%	North America	<0.1%
Other rich	0.2%	Other rich	0.9%	Other rich	0.3%	Other rich	0%
1990							
Top 1%	13%	Top 10 %	50%	Middle 40%	41%	Bottom 50%	8%
North America	6.9%	North America	21.2%	Europe	10.2%	China	6.1%
Europe	2.5%	Europe	14.2%	Russia/ Central Asia	8.6%	India	1.4%
Middle East and North Africa	1.2%	Other Asia	5.1%	North America	6.4%	Other Asia	0.3%
Russia/ Central Asia	0.9%	Russia/ Central Asia	4.7%	China	5.1%	SS Africa	0.2%
Other Asia	0.9%	Middle East and North Africa	1.8%	Other Asia	4.5%	Middle East and North Africa	0.1%
Latin America	0.6%	Latin America	1.3%	Latin America	2.2%	Russia/Central Asia	0.1%
Sub-Saharan Africa	0.1%	Other rich	0.8%	India	1.6%	Latin America	<0.1%

Table 1 - Shares of total carbon emissions associated with individuals in different global income groups from different countries and regions. Source: Oxfam and Stockholm Environment Institute (Karthä et al. 2020).

New Vehicles for Systemic Transformation—Social Enterprises

The systemic transition towards SCP patterns and Circular Economy requires new models of enterprise, primarily dedicated to social and environmental objectives. Broadly referred to as “purpose-driven” or “for-benefit” enterprises, these include social enterprises, sustainable businesses, cooperatives, public benefit corporations, community development banks, community interest companies, and numerous other models. According to the Organisation for Economic Co-operation and Development (OECD), Social Enterprises are identified as “any private activity conducted in the public interest, organized with an entrepreneurial strategy, whose main purpose is not the maximization of profit but the attainment of certain economic and social goals, and which has the capacity for bringing innovative solutions to the problems of social exclusion and unemployment” (OECD nd).

However, owing to their differential social and public characteristics, these business models still lack a common definition and legal framework on a global scale. Among the very few studies, the global landscape is best captured by the survey study of the British Council *More in Common: The Global State of Social Enterprise*, June 2022, estimating around 11 million businesses worldwide as social enterprises. Country-specific data highlighted variations, with Turkey and the United Arab Emirates leading in international operations (32.6% and 27.8%, respectively), while Ethiopia and the Philippines exhibited lower rates (3.1% and 5.8%, respectively).

These Social Enterprises globally exhibit diverse goals, with common priorities, including community improvement, job creation, health enhancement, environmental protection, and education. Regional differences were observed, such as a focus on the environment in Morocco (55.6%), the Philippines (53.9%), and Sri Lanka (53.3%), and a priority on addressing financial exclusion in Greece (39.7%). In India and Hong Kong, health and well-being emerged as key priority areas for social enterprises with a share of 41.5% and 47.3%, respectively. In the UK 67% of social enterprises have plans to integrate climate action into their constitutional framework, showcasing a commitment to environmental responsibility. In Malaysia, Morocco, and Nigeria, social enterprises frequently operate within the environmental and sustainability sectors.

Financing for Resilient Infrastructure

Another facet of this new paradigm is financing for resilient infrastructure. Financial globalization has often been at cross-heads with financing needs for development. There has been a long debate as to whether financial globalization promotes growth (and development) in developing countries. One of the key recom-

mendations by T20 Task Force 3 addresses the issues around financing for resilient infrastructure by suggesting that the global financial architecture and institutional approaches should be reformed based on accepted LiFE principles by the G20, which would address financial flows for physical, social, digital, and energy infrastructure from the perspective of sustainability, resilience, circularity, inclusivity, rural-urban balance, and trans-species balance (T20 Task Force 3 Statement).

Discriminatory access to capital and resources for Global South countries is a concern, with three out of five of the world's poorest nations facing high risks of debt distress and one in four middle-income countries at significant risk of a fiscal crisis in early 2022 (UNDESA 2022). Despite a decade of low-interest rates, developing countries experience higher borrowing costs, with their average interest expenses on debt three times greater than those in developed nations. In contrast, developed countries now face an average interest cost of about 1% on sovereign debt, a notable drop. Least developed countries (LDCs), even with access to concessional lending, often contend with interest rates exceeding 5% or 8%, significantly elevating their average borrowing costs. This situation intensifies debt dynamics, leading to reduced fiscal space as LDCs allocate a substantial 14% of their domestic revenue to interest payments, compared to developed countries, allocating approximately 3.5%, despite having larger debt stocks (UNDESA 2022).

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Ethical Issues in Functioning of Financial Institutions

This discriminatory systemic issue highlights the lack of ethical components in the functioning of our Financial Institutions. The recent UNSG report (2023) *Progress Towards the Sustainable Development Goals: Towards a Rescue Plan for People and Planet* strongly condemns discriminatory access to finance. It emphasizes that persisting with a morally bankrupt financial system hinders developing countries from meeting targets achieved by developed nations with fewer constraints. The issue of ethical considerations in finance represents another facet of the lifestyle paradigm, emphasizing the role of excessive financialization and its detachment from ethical behavior.

The recent collapse of banks under U.S. capitalism underscore the ethical disconnect within an expansive financial system. Since the emergence of the neo-classical school in the 1970s, there has been a notable trend toward significant deregulation of financial markets and the separation of finance from the real economy.

According to Pereira (2010) and Lapavistas (2009), between 1980 and 2007, the growth of financial assets outpaced real wealth by approximately four times, as measured by the increase in gross domestic product (GDP). Financial wealth increasingly operated independently of production, and finance permeated various aspects of human societies. This era witnessed a proliferation of financial instruments, disproportionately concentrating risks on investors while yielding profits for bankers. The subsequent collapses of banks and the economic system, stemming from excessive and unchecked lending, once again underscore the absence of ethics in the functioning of our financial institutions.

New Well-being Measurement Approaches—Going Beyond GDP

This facet focuses on the measurement of well-being and its intrinsic interconnection with prevailing models such as Sustainable Consumption and Production (SCP), the Circular Economy, resilient infrastructure, and ethical dimensions in financial practices. Empirical observations derived from countries emphasizing Gross Domestic Product (GDP)-centric growth show that elevated income levels do not uniformly translate to heightened well-being, especially amid challenges like climate change, biodiversity loss, limited access to essential services, and social inequities. The present Polycrises, unequal burdens on LDCs, uneven growth across countries, and supply-chain disruptions have necessitated to go beyond GDP. There is a need to incorporate the ecological dimension and natural capital as important components in the new measure of well-being, considering mainstreamed indexes often lack a strong focus on these dimensions. Assessing the uses of well-being metrics is pertinent for policy-making, particularly in capturing economic, social, and environmental factors. Indicators should reflect priorities like climate change, SDGs, and emerging dimensions of digital infrastructure to transform and ease the lives of citizens. Interlinking the beyond GDP approaches with the models discussed above, the Task Force 3 Statement categorically mentions that “developing well-being indicators will be a prerequisite for setting priorities and allocating resources. Systemic transformation approaches that support comprehensive indicator profiles should be encouraged, with the aim of promoting, among others, business models and corporate practices for sustainability, social inclusion, care work, trusteeship, and good governance as part of the LiFE economy.”

The recent policy brief by the United Nations Secretary General indicates that the Sustainable Development Goals (SDGs) serve as a comprehensive “Beyond GDP” framework, intentionally crafted to address the shortcomings of GDP. Specifically, SDG target 17.19 calls for the development of measurements complementing GDP, fostering statistical capacity-building in developing countries by 2030. This commitment aligns with initiatives like *Our Common Agenda* and the report *Valuing What Counts: United Nations System-wide Contribution on Progress Beyond Gross Domestic Product* contributing to the evolving landscape of metrics, and emphasizing the need for a holistic approach beyond GDP.

Various well-being measurement frameworks have emerged to supplement traditional GDP metrics, particularly in the Global South, incorporating dimensions such as health, education, biodiversity, and inequality. It is important to note that uneven access to opportunities is associated with low intergenerational mobility in education and income, and could adversely affect future economic growth (Heckman et al. 2009; Krueger 2012; Corak 2013; Marrero & Rodriguez 2013; Narayan et al. 2018). The impact of health (SDGs 3), education (SDG 4), sustainable and inclusive growth (SDG 8), and sustainable consumption and production (SDG 12) on reducing inequality and promoting overall well-being is substantial.

The Research and Information System for Developing Countries (RIS), in its *Discussion Paper on Evolving Conceptual Framework for Measuring Well-being for Decision and Policy Making*, has developed indicators related to the concept of LiFE for measuring well-being under the Sustainability pillar. Similarly, the OECD’s well-being framework, tailored for Latin America and the Caribbean, evaluates well-being distribution across populations in 11 countries, addressing disparities in health, education, and environmental quality. Furthermore, the Asian Development Bank (ADB) has introduced a Wellness Index for 153 countries, bridging the gap between growth-focused policies and health, education, and individual well-being. This index spans physical, intellectual, environmental, and social wellness dimensions, providing pol-

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icymakers insights into strengths and weaknesses. ADB also considers well-being inequality, incorporating the Gini Index and the ratio of male to female Labor Force Participation.

The United Nations Human Development (UNDP) Inequality-adjusted Human Development Index (IHDI) modifies the Human Development Index (HDI) by accounting for inequality in the distribution of each dimension across the population. The IHDI value equals the HDI value when there is no inequality across people, but falls below the HDI value as inequality rises (UNDP 2022). Therefore, the IHDI measures the level of human development when inequality is accounted for. Table 2 provides IHDI data for some of the Global South countries.

Country	Human Development Index (HDI)	Inequality-adjusted HDI (IHDI)		Income shares held by (%)			Gini coefficient
	Value	Value	Overall loss (%)	Poorest 40\$	Richest 10%	Richest 1%	
	2021	2021	2021	2010-2021*	2010-2021*	2021	2010-2021*
Brazil	0.754	0.576	23.6	13.2	39.4	25.7	48.9
India	0.633	0.475	25.0	19.8	30.1	21.7	35.7
Indonesia	0.705	0.585	17.0	18.1	29.6	18.3	37.3
South Africa	0.713	0.471	33.9	7.2	50.5	21.9	63.0
Mexico	0.758	0.621	18.1	14.3	35.5	28.4	45.4
Bhutan	0.666	0.471	29.3	17.5	27.9	14.2	37.4
Bangladesh	0.661	0.503	23.9	21.0	26.8	16.3	32.4
Sudan	0.508	0.336	33.9	19.9	27.8	15.4	34.2
Kenya	0.575	0.426	25.9	16.5	31.6	15.2	40.8
Ghana	0.632	0.458	27.5	14.3	32.2	15.2	43.5

Table 2: IHDI Data for Global South Countries. Source: (UNDP 2022).

The analyses of diverse well-being indices by international organizations underscore a global transition away from a sole reliance on GDP, prioritizing eco-friendly, socially inclusive, and people-centric metrics. Recognizing the persistent challenges in attaining Sustainable Development Goals (SDGs) in developing nations, there is a growing consensus on integrating SDGs into economic and social frameworks, promoting sustainable and lasting advancement. India's COP26 initiative, "Lifestyle for Environment (LiFE)," champions the cause of sustainable livelihoods and lifestyles harmonized with both planetary and human well-being. This reflects a broader paradigm shift towards holistic indicators that encompass environmental responsibility, social inclusivity, and the overall welfare of individuals and the planet.

The next two sections delve into the practical implementation of LiFE within the unique context of Intermediary Cities, highlighting its multifaceted strategies to address the complex urban dynamics and the integration of Triangular Cooperation, recognized by G20 members as a pivotal aspect enriching the practical application of LiFE.

INTERMEDIARY CITIES

Intermediary Cities (ICs) are urban agglomerations that connect metropolitan centers with rural areas. In developing countries, these are defined as urban centers with a population of one to five million. Due to their intermediation role, these cities act as hubs for the provision of goods and services, facilitate rural-urban migration and provide a conducive environment for income diversification and poverty alleviation (OECD/UN-Habitat 2022). They have the potential to foster well-being, promote job creation and contribute to poverty reduction, and can also act as powerful laboratories for piloting new solutions and fostering social and economic innovation (OECD 2022). In the Indian context, ICs comprise urban agglomerations having a population of one to five million. These cities are categorized as smaller urban areas regulated by Municipal Councils under the 74th Constitutional Amendment Act.¹ According to the World Urbanization Prospects, 2018, around 56 such urban agglomerations fall under this category in India (UNDESA 2018).

Due to socioeconomic, institutional, and geographical issues, intermediary cities are disproportionately exposed to detrimental impacts on the environment. Rapid urbanization and environmental pollution are closely interlinked in ICs whereby it hinders the capacity of authorities to provide public services and safe environment from increasingly frequent extreme climatic events. While, on the one hand, abrupt

1. The 74th Constitutional Amendment Act provides for three types of municipalities in each state in India: Nagar Panchayat for a transitional area, Municipal Council for a smaller urban area, Municipal Corporation for a larger urban area.

climate extremes impact ICs disproportionately, on the other, rapidly urbanizing ICs themselves drive climate change as a result of increasing greenhouse gas (GHG) emissions. ICs are witnessing increased and greater regional variability in global precipitation and associated flooding as a result of climate change—global extreme daily precipitation is projected to intensify by 7% for each increase of 1 °C—thereby contributing to large economic losses (OECD/UN-Habitat 2022). Meeting the Paris target by mid-century would lead to a GDP loss of 4.2%. Studies undertaken by Guo Jessie et al., (2021) found that under a more severe temperature increase scenario of 3.2 °C by 2050, global GDP is set to decline by 18% with Asia accounting for 15% of the combined losses. ICs are vulnerable to the Urban Heat Island effect and increasing health risks and mortality as a result of frequent heat wave spells. As cities grow, they become sources of carbon-intensive energy platforms that lead to an increase in GHG emissions. By 2030, emissions from cities in non-OECD countries will account for 81% of global energy use (OECD 2010).

While climate mitigation strategies and adaptation techniques are both essential in climate action towards net zero, it may not be a complete solution to the problem. Behavioral changes for efficient resource utilization by reducing energy consumption, and water wastage, managing environmental pollution and promoting the use of eco-friendly products can contribute to net-zero climate action, while improving both well-being and public health. Additionally, sustainable practices can address equity issues by narrowing the divide between the disproportionately high per-capita energy use of developed economies and that of developing economies. Illustrative examples that give a glimpse of LiFE actions implemented or promoted by municipal councils and government agencies in collaboration with Civil Society Organizations and residents living in ICs may include *Mission Amrit*

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Sarovar, which entails rejuvenation of 50,000 ponds across India under the Ministry of Rural Development. The other example is *Community Financing for Segregation*, which is being implemented by Municipal Councils for efficient waste segregation at the source with the help of local resources and innovative collection systems.

TRIANGULAR COOPERATION (TRC)

Aligned with the vision of the New Delhi Leaders' Declaration, Triangular Cooperation is an innovative modality to implement the LiFE approach and has been acknowledged by G20 members and engagement groups, most notably the T20, as a dynamic modality that can supplement the North-South and South-South cooperation models in its pursuit of sustainable development. This approach complements traditional cooperation models and fosters sustainable development (G20 India 2023a).

Brazil's Priority for Triangular Cooperation (TrC)

With Brazil assuming the Presidency of the G20 on 1 December 2023, triangular cooperation will become an important area under the Brazilian Presidency of G20 as triangular, or trilateral, cooperation has a long history in the country and is a key element of its development cooperation (OECD/IsDB 2023). Brazil is active in multiple international cooperation for development fronts: technical, educational, scientific, technological and humanitarian cooperation, as well as contributions to international organizations, peacekeeping operations and refugee support in Brazil. Brazil's contribution to trilateral technical cooperation initiatives is steered by the principles of South-South cooperation; namely, it is driven by demands from developing countries, non-interference in the domestic affairs of countries benefiting from trilateral technical cooperation, non-conditionality and non-association with trade operations (ABC 2019). In 2021, Brazil allocated US\$ 8.5 million for triangular cooperation activities (OECD 2023). The main sectors of its trilateral projects are government and civil society and the agriculture, forestry and fishing sectors.

Trends in Triangular Cooperation with Focus on LiFE

As mentioned above, TrC is the dynamic cooperation modality offering low-cost, environment-friendly solutions. For example, the India-Germany-Ghana pilot project on bamboo and bamboo cultivation can be the perfect example for advancing low-cost, environment-friendly solutions. Figure 1 suggests that the

current trend of TrC also indicates the focus on LiFE, such as agriculture, food security, health, environment protection, business services, education, water sanitation, social infrastructure, tourism etc.

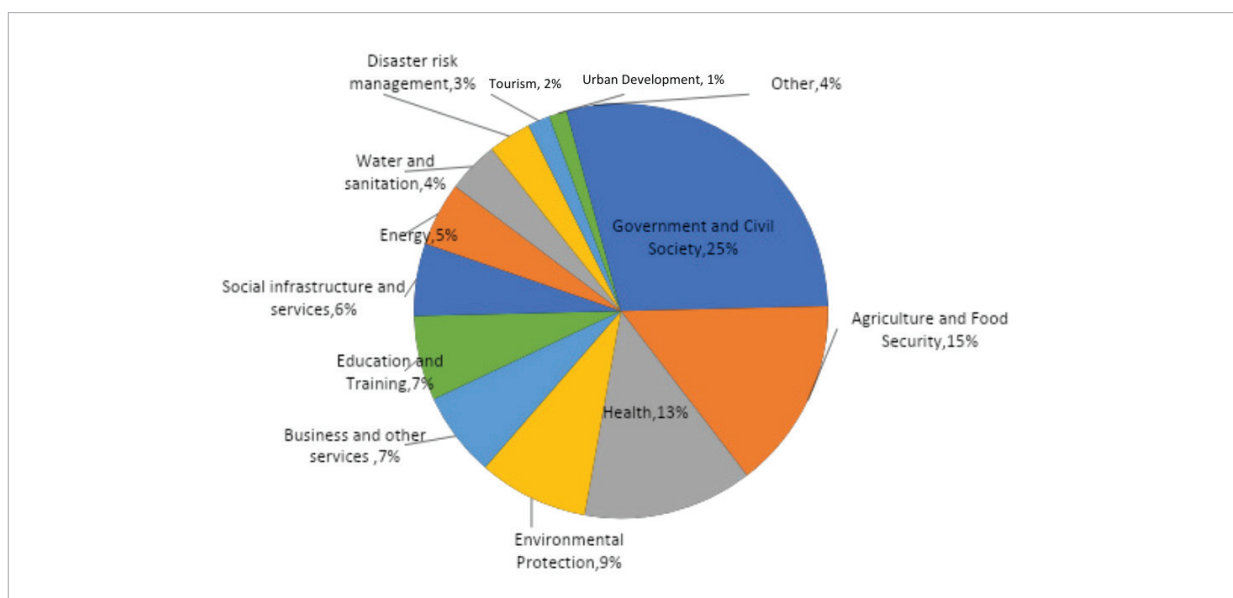


Figure 1. Triangular cooperation projects by thematic area. Source: OECD's Triangular cooperation repository of projects². Note: support the government and civil society sector includes projects of public financial management etc.

It is essential to mention that the OECD (2023) found that 56% of screened triangular cooperation disbursements between 2020 and 2021 targeted the environment, using the OECD's environmental marker. This is above the Development Assistance Committee (DAC) average of 33% for 2019-2020. About one-third of the over 1000 TrC projects collected in the OECD's online repository addresses life-related issues (GPI 2019). For example, India and France's Indo-Pacific Triangular Cooperation (IPTDC) Fund aims to support climate and SDG-focused innovations, emphasizing green technologies in the region.

IBSA International Fund

The IBSA Forum of three countries—India, Brazil and South Africa—, from the three continents that form the Global South, tasks itself to voice the collective interests of the South in international forums and international politics on issues of peace, security and development. The distinguishing feature of IBSA is that it is a grouping of emerging economies committed to participatory democracy and rule-

2. The database is available online at: <https://www.oecd.org/dac/dac-global-relations/triangular-co-operation-repository.htm>.

based international order. The IBSA Trust Fund, launched in 2003, marks an exemplary model of South-South cooperation that supports developing and least developed countries (LDCs) of the Global South to achieve their broad development objectives. Born out of the need to address shared developmental challenges in fellow developing countries, the IBSA Fund has emerged as a unique expression of Southern solidarity and helped partner countries to achieve sustainable and inclusive development. Towards this end, the IBSA Fund has played a vital role in strengthening South-centric developmental cooperation, and also brought new gravitas to the IBSA partnership. Since the inception of the Fund, 42 development projects have been supported in 36 countries through allocations totaling US\$ 46.5 million. Projects ranged from enhancing food security to developing livelihoods through entrepreneurship and expanding access to sanitation and renewable energy (UNOSSC 2022).

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Financing for the TrC

As we are aware, the BAPA 40+ outcome document mentioned that multi-lateral, regional and bilateral development cooperation providers should consider increasing financial resources and technical cooperation to promote South-South and triangular cooperation. Figure 2 shows that between 2016 and 2021, 17 DAC members disbursed US\$ 451 million of their ODA through triangular cooperation, which accounted for 0.24% of the total ODA in 2021. It shows that TrC's funding needs to be increased. Since the introduction of reporting in the CRS in 2016, DAC members have significantly boosted the volume of ODA they disburse through triangular cooperation. Only two DAC members reported in 2016, disbursing US\$ 26 million through triangular cooperation (at constant 2021 pricing). In 2021, 13 DAC members reported disbursing (OECD/IsDB 2023).

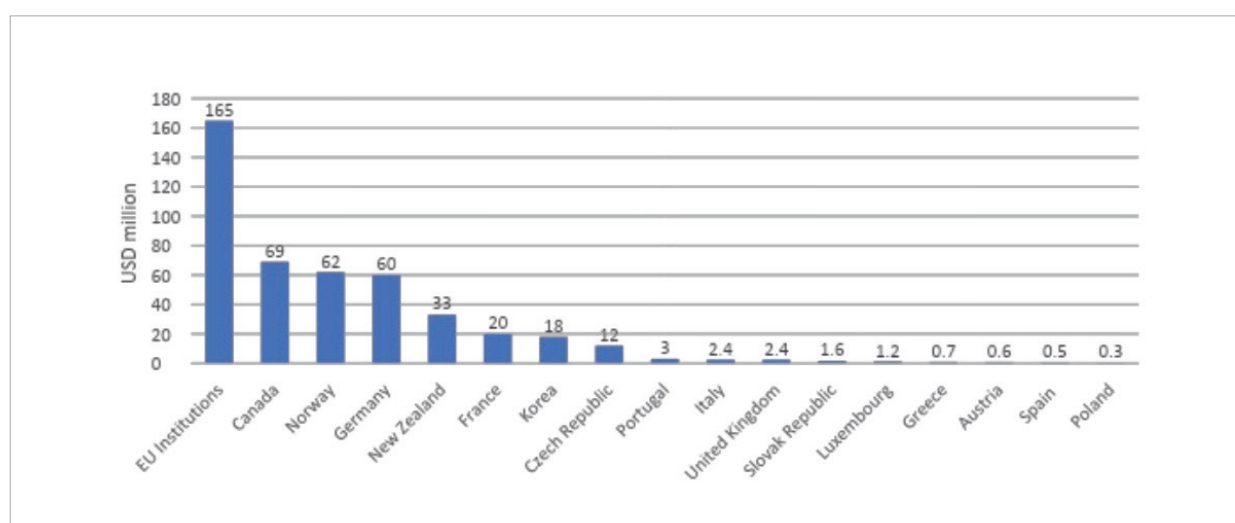


Figure 2: Official Development Assistance Disbursements for Triangular Cooperation by DAC Members, 2016–2021 (CRS). Source: OECD/IsDB (2023).

WAY FORWARD

The G20 Brazilian Presidency has an important opportunity to lead the global conversations on sustainability, inequality, hunger and unemployment—all the key issues that President Lula has identified as his priorities. He is absolutely right in suggesting to mobilize global financial resources to address these challenges. He rightly said: “we will ensure that the political and financial tracks are coordinated and work alongside each other. There’s no point in agreeing on the best public policies if we don’t allocate necessary resources for their implementation.”

The implementation of the new economic model requires a comprehensive approach encompassing tools, concepts, evidence, roadmaps, and collaborations. This entails a deeper understanding to facilitate rational resource allocation, localized development, and increased access, equity, and inclusion through technology and finance. Reformulating development partnerships, trade relations, and capacity creation is essential. To achieve this, a reconfiguration of institutions and multilateral structures grounded in values, well-being,

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and lifestyles is imperative. Science and technology play a crucial role in this transformation, guided by ethical principles and responsive to the needs of all, especially marginalized populations. Impact funds and novel incentives are necessary to encourage innovation addressing unmet needs in various sectors. Cooperation in green technologies is vital for moving towards sustainable consumption and production patterns, requiring a streamlined international mechanism to deliver essential technologies and prevent a climate catastrophe.

At the individual level, the new paradigm extends beyond anthropocentrism, emphasizing climate change mitigation, intergenerational justice, and trans-species justice. Philosophies promoting a moderate and balanced approach to life take center stage. This holistic approach, embracing ethical considerations, technological innovation, and a shift in individual perspectives, forms a robust way forward for effective policy implementation. ▬

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Why “South” / “North” Framings are not Useful in a Shifting World Order

Anna-Katharina Hornidge
Axel Berger

Abstract: An emerging multipolarity in which many transition economies employ “Global South” framings, often in contrast to a “Global North,” defines international relations. This re-configuration of global discourses and power relations also occurs in the G20, which is led between 2022 and 2025 by countries from the “Global South.” Against this backdrop, this article asks what this “Southernization” implies for the Think20, the think tank process accompanying the G20 by providing research-based policy advice and policy dialogue. In this text, we sketch out how the Think20 process during Brazil’s G20 Presidency and beyond can be strengthened and further developed to bring together the different high-quality research insights represented in the network while forming epistemic friendships to support cooperative global governance.

Keywords: G20; think tanks; science systems; policy advice; Global North; Global South.

For years, a multipolar world has been emerging. While longed for by some and fought by others, it is increasingly shaping the realities of international relations. The question negotiated in many ways is not whether we are indeed moving to a multipolar world but rather whether a universal frame of commonly agreed values (i.e., human rights and international law) and a joint institutional landscape (i.e., United Nations and reformed multilateral institutions in the areas of, inter alia, trade, finance, health, and environment) will still bind this multipolar world. Or, instead, whether we witness the emergence of multiple orders, no longer cooperating in a jointly shaped multilateral system but rather standing in (destructive) competition with each other.

This contribution reflects on the prospects of the multilateral system from the perspective of the G20 increasingly emerging as a governance platform where the diversity of interests, value systems, and poles of power come together and, indeed, negotiate reality and the future of our planet. In this, it is crucial to enable evidence-based discussions that actively work against fake news-enabled distortions and polarizations. Moreover, there is a need for scientific diplomatic networks across borders enabling transregionally informed policy advisory activities in the different national contexts of the G20 countries. Against this background, we reflect on the Think20 processes in the current period of four consecutive years of “Southern” G20 Presidencies. We ask whether two years into a four-year stretch of the G20 Presidency hosted by large transition economies in the South—Indonesia in 2022, India in 2023, Brazil in 2024, and South Africa in 2025—we will indeed witness a uniquely “Southern” type of leadership unfold in the G20. We argue that “Southern” is to be understood neither as a geographic nor political category but, instead, as a diplomatic emphasis of difference that calls for a stronger voice and visibility of large transition economies in global governance structures. We observe political, economic, and intellectual leadership of large

Anna-Katharina Hornidge is the Director of the German Institute of Development and Sustainability (IDOS) and Professor for Global Sustainable Development at the University of Bonn. Her research focuses on the system of international cooperation and development with a particular focus on environmental governance of the ocean and on land, as well as knowledges and science systems in and for development in Asia and Africa. Ms. Hornidge serves as an expert advisor to national, European, and multilateral institutions.

Axel Berger is Deputy Director (interim) of the German Institute of Development and Sustainability (IDOS) and Managing Director of the Sustainable Development Solutions Network (SDSN), Germany. He researches international trade and investment agreements, focusing on developing countries and the role of the G20 and G7 in global governance.

transition economies, aware of their weight in shaping the future but careful to align with either traditional or even more influential emerging poles.

Given this situation, we argue for conscious South-North cooperation in research-based policy advice and science diplomacy efforts. The Think20 can serve here as a platform. Yet, Think20 needs to nurture its independence while investing in a well-coordinated process linked with Think7-advisory processes for assured continuity from one Presidency to the next via think tank deliberations.

SCIENCE DIPLOMACY AND THE G20 FOR THE GLOBAL COMMON GOOD

We are witnessing a reordering of our world. A multipolar world order is emerging. However, which poles, or centers, will shape our future more effectively than others, and whether these centers, the new semi-peripheries, and peripheries will continue to be bound by a universal multilateralism as the basis for constructive cooperation or whether they drift apart into the multiple, coexisting or even competing orders, continue to be negotiated. Russia’s war of aggression against Ukraine and the war between Israel and Hamas in the Gaza Strip act as tangible points of reference in the many years of ongoing transregional contestations over the power to make sense, define, and name the state of international relations, as well as formulate and pursue visions of one or multiple futures. At the same time, both wars and the underlying negotiation of global order have to be understood as parts of a wider web of transformational shifts and structural megatrends comprising the climate and biodiversity crisis, the debt crisis in many low and middle-income economies, accelerated by the Covid-19 pandemic and inflationary pressures, social inequalities going hand in hand with social polarization, migration, and political destabilization.

The climate crisis is becoming a global reality. July 2023 was globally the hottest July in 120,000 years, according to the Copernicus Climate Change Service of the European Union (Copernicus 2023). In its latest 2023 report, the Intergovernmental Panel on Climate Change (IPCC) summarizes that global surface temperature between 2011 and 2020 is 1.1 °C above the global average of 1850-1900 (IPCC 2023, 4). The currently implemented policies for reducing greenhouse gas emissions result in projected emissions that lead to warming of 3.2 °C by 2100, with a range of 2.2 °C to 3.5 °C (at medium confidence) (IPCC 2023, 23).

Each of these temperature gains contributes further to an increasingly unfolding global riskscape, leading to species losses, heat-humidity risks to human health, impacted food production, increases in poverty, and, with this, increased risks for social polarization, political autocratization, social unrest, migration and

possibly multiple forms of open violence. While these social polarization processes have been observable for a number of years in countries on all continents and of all income groups (in high, middle, and low-income economies), they go hand in hand with forms of political autocratization in an increasing number of countries. The varieties of democracy index assess that 72% of the world population lived in autocracies in 2022 (V-Dem 2023).

In addition, the multilateral institutions enabling the international community of nation-states to govern global challenges such as the climate crisis jointly are increasingly tested. The further establishment of competing institutional landscapes of fragmented global governance—as, for example, suggested by BRICS+, the extension of the group of the large transition economies, and the further development of its exclusive institutional landscape (i.e., the New Development Bank) as a counterweight to the G7, the group of large high-income economies—contributes to the structural reordering globally. At the same time, we observe a reform of existing structures, such as including the African Union in the G20. These overlapping trends notwithstanding, we witness the emergence of a multipolar world that is still deciding whether it will be a multipolar world united in a universal global governance system or a world shaped by multiple orders that compete with each other.

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In this situation of heated political contestation, well-reflected, evidence-based, and historically contextualized contributions to transregional discourse are crucial to ensure wise and future-oriented policy-making for the global common good and to actively work against polarization in debates fueled by fake news and one-sided or partial perspectives. This is the aim and mandate of the international Think Tank community, coming together in research-based policy advisory processes such as the Think20 (addressing the G20) and the Think7 (addressing the G7). Both platforms and the institutional and individual-based networks carrying them have, over the years, grown substantially, developed into transregional networks of academic excellence on the one side and transregional political embeddedness on the other, as well as taken numerous steps towards process optimization and institutionalization. Furthermore, think tanks from the BRICS countries come together in the BRICS Academic Forum.

This paper aims to redraw these processes, focusing on the Think20, which currently witnesses four consecutive years of Southern G20 Presidencies. How is this changing the G20 in the context of multiple crises unfolding, and what is the role of the Think20? Regarding the G7 and the Think7 advisory process, we ask whether there is still a role for a Think7, given the historical situation in which the future of our world and our global common good will be determined primarily outside of G7 country contexts and within and by the societies of the G20 (including the African Union). What are the reasons for the coexistence of Think7 and Think20, or the BRICS Academic Forum for that matter, while practicing close interaction and merger in some areas and playing different roles in others?

Finally, what do we draw from these considerations and lived practices for the wider context of science diplomacy in a world of significant turmoil? We argue that the crucial question to the G20 is: Which type of global leadership is being exercised? Following Indonesia’s approach of moderating differences and India’s approach of mobilizing the Indian subcontinent and many aligned low and middle-income economies for the G20, how will Brazil fill this role? In our view, the answer of the Think20 community here should be clear: the world needs scientifically informed and well-reflected intellectual leadership in the interest of humanity and meeting the values of inclusivity, economic and social fairness, and ecological sustainability. Yet, can we also carry this joint understanding into the Brazilian and South African Presidencies? Can we sustain it in a situation of increasing crises and nationalism around the world? How can we carry this into policy-making in 2024 and beyond?

SCIENCE SYSTEMS AND SYSTEMS OF EXPERTISE—MULTIPLE OR FRAGMENTED?

The think tanks of the G20 are operating in science systems characterized by substantial diversity regarding disciplinary versus thematic, applied versus basic research organization, and research infrastructures and mandates concerning independent research and policy advice. There is not one global science system but multiple, largely nationally funded and organized science systems that stand in close cooperation and dialogue with each other and yet are governed within the nationally determined frames of science policy-making.

An internationally recognized indicator for the value attached to science, the frame conditions provided, and the performance capacities of the science system of a country are the gross domestic expenditures (GERD) in research and development (R&D) (public and private). Here, the international best performers (Israel, Korea)

aim for (and reach) 5%, the European Union set the target of 3%, and the African Union of 1% (UNECA 2018). However, actual public R&D expenditures continue to vary substantially between regions and countries. Comparing the countries that led the G7 and G20 in 2022, respectively, Germany invested around 3.11% of its Gross Domestic Product (GDP) into R&D in 2020, and Indonesia invested 0.28% in the same year. In the year after, the figures (most recent available data) between the two countries holding the respective Presidencies compare as follows: Japan invested 3.27% in 2020, and India invested 0.66% in 2018. In the coming year 2024, Italy's investment of 1.53% (2020) compares to Brazil's 1.17% (2020), displaying a less significant difference (World Bank 2023). On average, public R&D spending continues to vary substantially between high, middle, and low-income countries, with the former investing on average 2.94% in 2020 and the latter around 1.77% if put in relation with the scientific output produced, publication rates, patents, innovations, but also more difficult to measure aspects such as societal science literacies a similar picture emerges (Table 1).

	Presidency 2022		Presidency 2023		Presidency 2024		Presidency 2025	
	Germany	Indonesia	Japan	India	Italy	Brazil	Canada	South Africa
R&D expenditure (% of GDP)	3.11% (2020)	0.28% (2020)	3.27% (2020)	0.66% (2018)	1.53% (2020)	1.17% (2020)	1.7% (2020)	0.61% (2019)
Scientific and technical journal articles (2020)	109.379	32.554	101.014	149.213	85.419	70.292	65.822	15.885
Patent application, nonresidents (2021)	18.747	7.403	66.748	35.306	797	19.566	32.445	9.156
Patent application, resident (2021)	39.822	1.397	222.452	26.267	10.281	4.666	4.710	1.804

Figure 1: Countries that led the G7 and G20 expenditures in research and development (R&D), 2022-2025. Source: World Bank 2023, based on the UNESCO Institute for Statistics data.

On the African continent, public spending for R&D ranges from South Africa with 0.61% in 2019 and Kenya with 0.69% in 2010, followed by 0.51% of GDP in Tanzania in 2013 to 0.35% in Namibia in 2014 and lower (World Bank 2023).

Substantial differences between countries can also be observed in other fields. In agricultural R&D, the African Science and Technology Indicators (ASTI) mention, for instance, that since 2000, the percentage of R&D in agricultural value added dropped significantly (Lowder 2018).

In 2014, 29 of the 48 Sub-Saharan African countries for which data were available invested less than 1% of their agricultural GDP in R&D. This implies that R&D spending is outside the goal of an increasingly knowledge-based agricultural development. Also, with regard to R&D sources, ASTI shows significant differences, with basically all spending coming from the national budget in Namibia and higher dependency on donor funding in Kenya and Tanzania (Lowder 2018).

The above data underline that science and knowledge systems vary substantially globally. Due to the immense differences in the distribution of resources to support and fund research, the substantial differences in what is defined as research and what constitutes science, and the freedoms of research, a strong global fragmentation between and across science systems continues to exist. It marks a substantial discrepancy between, on the one hand, those science and knowledge systems that systematically study global megatrends, often termed as global challenges, that structurally determine the future of our planet; on the other hand, societies amongst those most affected by the global challenges (i.e., climate change, biodiversity loss, or the debt crisis) or that contribute to them (i.e., demographic change, geopolitical reordering, or transregional migration) (Hornidge et al. 2023; Partelow et al. 2020; Taylor et al. 2022).

Further, the ecological limits of our planet challenge the former underlying logic of scientific knowledge production to act as an engine of linear growth and demands a reflection of scientific knowledge production itself, as well as science-to-policy and science-to-practice interfaces (Sumberg et al. 2017). A profound

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change from the inherited global, regional, and national systems of research and knowledge production is required to generate research, science, and innovation systems that offer globally informed and holistic perspectives on how the world can be organized in a climate-stabilizing, decentralized multipolar order, as well as peacefully cooperating with the global common good in mind. More international science cooperation is a much-needed solution to tackle this challenge. While such networks exist in many disciplines and contexts, from basic to applied research, it is also necessary to jointly develop policy recommendations to address global challenges. One network that provides a platform for continuous and joint reflections on policy solutions is Think20, introduced in the next section.

CHANGING ROLE OF THINK TANKS VIS-À-VIS THE G20

The G20 met in November 2008 in Washington for the first time at the level of heads of State and government to discuss emergency solutions to the Global Financial Crisis. This elevation of the G20, which was installed as a technical forum of Finance Ministers and Central Bank governors in response to the Asian Financial Crisis in 1999, was necessary since global problems could not be solved in the established format of the G7 anymore. The G7 realized it needed to cooperate with emerging countries at eye level to effectively respond to global crises, such as the one at hand. The timely and effective crisis response coordinated by the G20 helped to calm financial markets and avoid a breakdown of the global financial system (Cooper & Thakur 2013; Drezner 2014; Luckhurst 2016). In this moment of success, the G20 described itself as the “premier forum for international economic cooperation” (G20 2009).

The description of the G20 as a crisis manager still shapes our conceptions regarding the club governance formats. But the challenges addressed by the G20 today—internally and externally—are substantially different from then. Andrew Cooper (2019) argues that the G20 had morphed from a crisis committee into a steering group, which broadened its agenda beyond financial issues but proved much less effective in tackling slow onset events such as the climate crisis and biodiversity loss or more structural concerns including transregional migration or social inequalities. Following from there, he argues that the G20 today resembles a hybrid focal point that provides a forum for a variety of public—and increasingly private—actors of global governance to address global challenges through deliberation, coordination, and myriads of bilateral meetings on the fringes of the official Summit agenda (Cooper 2019). Due to this thematic opening of the G20, it became more inclusive and receptive to inputs from and engagement of non-governmental actors, such as business and labor organizations, civil society, think tanks, and academia (Luckhurst 2019). In addition, during

the G20 Presidency of India in 2023, the African Union was invited to become a formal member. The addition of the African Union has the potential to increase the inclusiveness of the G20 and further broaden its thematic scope, especially regarding the development challenges of low and middle-income countries.

The Think20 is one of the official Engagement Groups of the G20. The group met in Mexico City for the first time in February 2012 to discuss the Los Cabos G20 Summit agenda (Think20 2012). The meeting brought together a small group of 25 think tank experts from a variety of countries. The Think20 continued to convene workshops and conferences in the following years, often mandated by the respective Presidencies of the G20. In 2017, under Germany’s G20 Presidency, the Think20 process was put on a new structural footing by establishing issue-specific task forces that bring together experts from a broad range of countries to work on policy recommendations for the G20 and its various working groups. The Think20 process usually starts with an inception conference to define priorities and bring together experts, and ends with a Summit conference before the leadership role is handed over to the next Presidency. During these two landmark events, a number of side events were convened, topics of particular relevance identified, and co-authoring teams for joint-policy briefs formed. Since 2017, the Think20 process has increased in size and depth of scientific debate during the subsequent Argentinian, Japanese, Saudi Arabian, Italian, Indonesian, and Indian G20 Presidencies.

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Especially in the past three years, the G20 and Think20 discussions were shaped by increasingly overlapping crises, such as climate change, biodiversity loss, ocean pollution, food security, social inequalities, and fiscal spaces. The dynamics unfolding at the interface of these multiple crises have been further aggravated by the Covid-19 pandemic, Russia’s war in Ukraine and, more recently, the war between Israel and Hamas in the Gaza Strip.

Policy coordination to tackle the multiple crises takes place in an increasingly contested geopolitical environment with divergent alliances cutting directly through the G20. Yet, depending on the crisis at hand, the lines of division vary, and thematically specific alliances inside the G20, the African Union, and beyond are mobilized.

Responses to the debt crises, for instance, are demanded from within the G20 and call upon both the G7 countries as the hosts of private creditors and China as the largest public creditor to help relieve the debt burden of low and middle-income countries, to free public funds to support sustainable development-oriented policies.

Regarding the reforms of the international financial institutions such as the World Bank and the International Monetary Fund, effective encouragement for structural reforms has been built up by non-G7-G20 countries, and the G20 platform under India's Presidency used to build up pressure for reform. The reforms themselves, however, have yet to be taken forward by the institutions and their largest shareholders (G7 countries).

Finally, alliances are also further developed outside of the G20 context. The extension of the BRICS+ Group here serves as an example. From January 2024 onwards, the founding members—Brazil, Russia, India, China, and South Africa—will extend the group to include Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates.

Thus, on the one side, we observe a strengthening of the G20 as a platform bringing G7 countries, the large transition economies, and the African Union together and enabling joint decision-making outside the context of formal multilateral institutions. On the other side, we observe a proliferation of different groupings in group-based governance, allowing for a flexible building of alliances and utilization of different alliance constellations depending on the topic and issue at hand.

In this dynamic alliance building and re-building, think tanks organized in the Think20 play an increasingly important role in offering science-based policy recommendations based on expertise and deliberation processes across the think tank communities of the G20 countries and beyond. Beyond this basic function, the Think20, as a platform for transnational and transdisciplinary exchange, can also provide a space for Track Two Diplomacy and, more fundamentally, international trust building. There is also a growing need to help bridge the gap between the G20 and the G7, for example, through close cooperation with the Think7, the think tank process of the G7. However, this role of the Think20 is conditional to an efficient and inclusive process and a focus on impact that requires close and continuous interactions with policy-makers.

DOES GEOGRAPHY INDEED MATTER IN POLICY ADVICE?

We ask whether, two years into a four-year stretch of the G20 Presidency being held by large transition economies of “the South,” we indeed witness a uniquely “Southern” type of leadership unfold in the G20. From the perspective of think tank cooperation, the question arises whether there is such a thing as “Southern”

and “Northern” policy advice—in general and as part of the Think20 process.¹ To reflect on this, we first of all distinguish four different types of leadership: economic, political, intellectual, and symbolic. In a second step, we focus on the role of intellectual leadership unfolded by the different Presidencies—here relating it to the leaderships observed within the G7. The focus on “intellectual leadership” is chosen as it is the field of leadership to which the advisory processes of Think20 and Think7 directly contribute. Contributions to the other types of leadership are, of course, aimed to and made through the advisory processes, but the political, economic, and symbolic resources required for their implementation do not lie with the community of think tanks and research institutes carrying the Think20 and Think7 processes.

The framework conditions for the work of think tanks are rapidly changing. In light of the multiple and overlapping crises, think tanks are required to develop effective policy proposals that take into account the complexities of today’s social, political, and economic systems and the planetary, and non-negotiable, boundaries of ecosystems and climate. Rising geopolitical rivalries make deadlocks in international negotiations more likely and, therefore, require think tanks to analyze and propose new models of international cooperation or even engage in Track Two Diplomacy to bridge disagreements and misconceptions among governments. In addition, the safeguarding of so-called “legacy topics” (Berger & Hornidge 2023) becomes more and more important, thus ensuring that previous commitments of G20 and G7 are not forgotten and, furthermore, that G7 and G20 commitments align or—at least—do not contradict each other. The work of Think20 provides both continuity in terms of policy discussions and thinking ahead, identifying pressing policy topics of the future that require G20 and/or G7 attention. This increasingly results in the need to better coordinate the G20 and G7 think tanks, organized in the Think20 and the Think7, to contribute to that end. At the same time, think tanks face increasing skepticism regarding science-based policy advice among policy-makers and the broader public.

Moreover, we observe shrinking spaces for open and critical policy discourses in many countries. Science systems, just as critical, independent media—as sketched out in global comparison above—are underfunded, particularly in low and middle-income countries, resulting in uneven representation in Think20-deliberations. Even more important is the Think20 space for transregional science and think tank cooperation. These spaces for intellectual discussion, reflection on institutional landscape, and policy instruments are often located in the G20 countries. However, more often than not, the Think20 also includes think tanks from

1. We will focus on the Think20 and Think7 in the following. It also merits analysis to what extent the BRICS Academic Forum displays a unique forum for think tank exchange and how it relates to the Think20. This analysis, however, is beyond the scope of this article.

non-G20 countries, in particular from the region of the country that is chairing the G20 in any given year. The engagement of think tanks in the Think20 often goes beyond the yearly G20 cycle. This continuity allows building trustful relationships across national and disciplinary borders.

In the past two years under Indonesian and Indian Presidencies, we have seen substantial political and intellectual leadership unfolding. The Indonesian Presidency was substantially challenged by a world only slowly moving out of the Covid-19 pandemic, closely followed by tensions revolving around Russia's war in Ukraine. In this difficult situation, the Indonesian government's approach around the theme of "unity in diversity" and with repeated reference to the Bandung Conference in 1955—a moment of newly independent countries coming together in the so-called "non-aligned movement,"—allowed for the careful reestablishment of dialogue beyond difference. The Indian Presidency built on this and used it to (a) carry global governance topics and awareness into the wider Indian society, as well as (b) establish India as a global player on the multilateral level. Under its Presidency's theme—*One Earth, One Family, One Future*—the Indian government mobilized interest, support, and awareness for the future role of India in a multipolar world amongst its own citizens, academia, and private sector, as well as in relation with its international allies, neighbors and competitors.

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In both Presidencies and the accompanying advisory processes, we have seen increasing employment of language that works with geographic identity markers such as "the Global South," "Southernizing Global Governance" or "Southern Think Tanks" (Rising 2023). The term "Global South" is not new, but a term that has received increasing attention in the past years. Its usage ranges from a shorthand term for countries in Africa, Asia, and Latin America, as well as Small Island Development States in the Pacific and Indian Ocean, to a term replacing World Bank terminology based on levels of GDP or along the Human Development Index of the United Nations with reference to a wider range of criteria relevant to assessing the status of human development besides GDP, also including indicators such as access to health, educational and social infrastructures among others (UNDP 2022).

The term has been criticized widely for neglecting the heterogeneities that exist in the Global North as well as in the Global South, working with a binary

logic and flat ontologies (Haug, 2021). And yet, it is receiving increasing attention and seems to be increasingly used by actors from large middle-income economies located either in the South (i.e., South Africa, or large parts of Indonesia) or also North of the Equator (i.e., China). Yet, some “Southern” countries, such as Australia or New Zealand, are rarely considered “Global South.” Some authors even go so far as to argue that the increasing self-identification as the Global South of some countries on the one side goes back to slowed down economic growth rates and thus a replacement of the term “emerging economies” (Lubin 2023). On the other side, its use is increasingly politicized, especially in countries belonging to the BRICS+ Group, with the intention to underline differences to G7-countries of the North.

Self-identification in opposition to the Global North, which is just as little a unified group as the Global South? We observe the discursive construction of homogeneity of front lines, of seemingly hermeneutically closed “container spaces” North/South (i.e., for instance, values, interests, wealth, lived responsibility in tackling global challenges), and of opposition.² Discursive practices contributing to these constructions can also be observed in the Think20 and the interaction processes between Think20 and Think7. At the same time, substantial efforts are undertaken to identify convergences in interests and values between all country groups represented in the G20 again and again, guided by the Agenda 2030 as a common frame to define the future.³

So why work with a “Southern/Northern” terminology? Why discursively construct seemingly homogenous groupings in binary opposition to another? We would like to carry the following considerations into the debate:

1. Acknowledge, underline, and celebrate similarities in historical experiences (incl. colonial times) and today’s challenges regarding countries’ positionality in the global order. This, in turn, would require just as much acknowledgment of the differences that exist between different societies within each group (North/South).
2. Celebrate the diversity and pride connected with lived experiences and lifestyles in tropical and subtropical zones (largely represented in South), as well as in more temperate zones (largely represented in North). This would require to regard i.e. Australia or New Zealand as the South and i.e. China as the North.

2. An example of a platform to further the cooperation of “Southern” think tanks and to strengthen the political salience of the “Global South” narrative is the Cape Town Conversation that took place for the first time at the end of November 2023. Interestingly, Indian and Brazilian think tanks used the occasion of the Cape Town Conversation to hand over the chairing of the Think20 process.

3. The Bellagio Retreat, which took place for the first time in March 2023, is an example of think tanks and thought leaders from the G20 and G7 coming together to enhance the cooperation between the G20 and G7 with the goal of supporting global sustainable development.

3. Remind the former power centers of the world of the many realities beyond their direct gaze; reflect on the “darker side of modernity” (Mignolo 2011); and actively work against global structures that maintain patterns of structurally embedded inequalities, i.e., in the global trade system. This would require further shaping economic and political structures between countries and within societies along the principles of “the social state.”

The above considerations underline the importance of giving differences a voice in order to then meet on equal terms and jointly build a multipolar world order that respects this difference. Yet, what we have observed over the past years is an increasing geopoliticization of the terminology “Global South”/“Global North” as well as of the binary division of the world with G7-countries largely standing for “the Global North” and the countries of G77+China for “the Global South.” This is further enhanced by the fact that the BRICS+ grouping increasingly tries to represent G77+China on the global level. The institutional landscape on the multilateral level is thus developing further in ways that give greater space to multi-alliances. Nation-states of significant economic strength, political influence globally, and demographic strength, in other words, powers that can be considered future poles in a multipolar world, are represented in multiple multilateral platforms and spaces, others are part of one or the other group. Fasulo et al. (2023) argue with regard to India: “Prime Minister Narendra Modi has mastered a ‘multi-aligned’ foreign policy that is strengthening India’s role as a cornerstone of two major trends: the institutionalization of the Indo-Pacific (IPEF, QUAD), and the relaunch of the BRICS as the vanguard of the Global South.”

The pattern of shaping and reshaping transregional alliances—as observable in the past years—is neither defined based on similar historical experiences (i.e., coloniality), economic systems and size (i.e., liberal market economy vs. planned high, middle, low-income economies), or political regimes (i.e., democracies vs. autocracies) nor based on geographic location (i.e. North/South, coastal/landlocked, island/landmass etc.), demographic pattern (i.e. population size & age structure) or relevance to tackling global challenges (i.e. CO₂ emissions or home to biodiversity hotspots). Instead, we increasingly see a pattern of thematic alliance building across all continents and all income groups (low, middle, and high-income countries) emerging but organized around particular themes of collaboration and joint interests. Examples include alliances battling the climate crisis (i.e., the formation of the Loss and Damage Fund, decided on at COP27 and filled with finance for the first time at COP28 in Dubai 2023) or in the transformation of energy systems—i.e., under the name of the Just Energy Transition Partnership (JETPs).

In the first months after the beginning of Russia’s war in Ukraine, we witnessed a Global Alliance for Food Security jointly fighting the food crises in parts of Northern Africa and the Middle East. During the Covid-19 pandemic, after the initial closing of borders, vaccine provision was organized via Gavi, the Vaccine Alliance, efforts that since then have led to the establishment of numerous other initiatives to build up production capacities and shape markets for medical and healthcare products across Africa.

Multi-alignment as a strategy in external policy-making seems to be further confirmed when studying the voting pattern within the General Assembly of the United Nations with regard to the conflict between Israel and Hamas in the Gaza Strip and West Jordan on October 27, 2023. India abstained from condemning Israel’s military intervention in the Gaza Strip following the killing of around 1200 Israeli civilians on October 7 by members of Hamas. All other countries belonging to the BRICS Group voted in favor. This difference in perspective was especially noted, as Brazil, India, China, and South Africa (meaning all BRICS countries with the exception of Russia) seemed to be united in perspective regarding Russia’s war in Ukraine. In the two votes at the United Nations General Assembly held on March 2, 2022, and February 24, 2023, all of the mentioned countries abstained from openly condemning Russia’s actions. Their abstention was at that time read as an expression of the urge not to “take sides.” India’s abstention regarding Israel, in contrast, was explained by Prime Minister Modi with reference to religious diversity in India itself.

The examples mentioned above of foreign policy-making in action stand for a number of singular events. While none of them should be overemphasized, we argue that, when looking at these developments over time, we see, first, a pattern of increased “Southern”/“Northern” terminology being employed. And, while we very much support, given everyday life experiences from the South, a much more pronounced voice and visibility in global governance, we observe with concern a geopoliticization of the binary use of Global South/Global North terminology and the flat ontologies it produces. Second, we point to the inconsistencies of the constructed binaries. While some historically grown experiences and structurally determined global positioning act as shared bases for a Southern/Northern identity construction, substantial diversity exists in everyday realities, economic and political positioning in the emerging multipolar order, and the visions of future pursued. We argue that these context-specific differences, that pave the ground for multiple futures, deserve to be celebrated and should have a place in shaping an indeed decentralized multipolar order.

This leaves us with the original but, until now, unanswered question regarding the role of a qualitative “Southernness” in policy advice as practiced in the Think20. The following section will attempt some answers.

SCIENCE-TO-POLICY INTERFACES FOR A MULTIPOLAR AND COOPERATING WORLD

The Think20 has become a vibrant network bringing together increasing numbers of think tanks and experts from G20 and non-G20 countries, often also involving institutions and experts from the region of the Think20 host. The Think20 is producing increasing numbers of policy briefs that provide science-based policy recommendations for topics on the agenda of the respective G20 Presidency and beyond. Further, a growing number of experts, research institutes, and think tanks from a wide range of disciplines and thematic orientations, and across the countries belonging to the G20 and beyond, are involved in the deliberations of the Think20 task forces and in the meetings such as the inception conference or the Summit.

While this can be seen as a clear success of building this platform for Track Two Diplomacy, we have argued elsewhere to safeguard the Think20-process by paying particular attention to three areas: impact, continuity, and its ability to foster dialogue and exchange (Berger et al. 2021).

The Think20 is producing increasing numbers of policy briefs that provide science-based policy recommendations for topics on the agenda of the respective G20 Presidency and beyond. Further, a growing number of experts, research institutes, and think tanks from a wide range of disciplines and thematic orientations, and across the countries belonging to the G20 and beyond, are involved in the deliberations of the Think20 task forces and in the meetings such as the inception conference or the Summit.

1. In order to be (more) impactful, the Think20 should establish closer relations to the G20 policy process itself. An important prerequisite is maintaining close, continuous, and trust-based connections to the official G20 process and, in particular, its various working groups, task forces, and initiatives. Through closer connections with the official G20 process, Think20 task forces are better informed about the priority issues discussed, the demands in terms of analytical input, and windows of opportunity for providing specific policy recommendations.

2. The credibility and effectiveness of the Think20 depends on maintaining its independence from governmental and other non-governmental actors. In order to ensure independence, the Think20 should base policy recommendations solidly on scientific evidence that is ideally sourced from different bodies of literature, long-term research projects, and geographical contexts.
3. The Think20 is a transnational network characterized by diversity. In order to maintain this diversity, the Think20 must follow an inclusive approach that allows different voices and bodies of expertise to be heard. The Think20 should be open for participation of think tanks from non-G20 countries since they may offer additional expertise and, most importantly, can reflect on the policy recommendations from different geographical perspectives. Diversity in terms of gender, expertise, and background is important for its own sake and to develop policy recommendations based on a broad range of actor networks, addressing different audiences.

These principles stand in a productive tension towards each other. Full independence might conflict with the effectiveness of advice on particular policy challenges, while it might draw attention to other, more pressing topics. Yet, what these three principles additionally underline is twofold:

First, the research and expertise bases of the policy advice provided by the Think20 are absolutely crucial. Long-standing, in-depth research forms the most effective basis for policy advice. It is indeed the expertise of the experts, research institutes and think tanks that carries the Think20 process forward and constitutes the foundation of the science-policy interface and the technical and political advice itself. Thus, it is not geography but expertise that defines the content of the Think20.

While this is absolutely crucial, the brief sketch of the diverse landscape of science systems globally (section 2 above) nevertheless reminds us that the research and expertise base we all operate on is highly diverse. Structures and systems of knowledge production vary in disciplinary, thematic, applied, and basic science orientation. There is no “one” research and expertise basis that policy advisory processes such as the Think20 build on, but many highly heterogeneous ones exist.

This brings us to our second point: there is no, per se, “Southern” or “Northern” research and expertise base. But rather, the empirically-based and theory-led insights generated by multiple, largely nationally organized science systems are brought into close and continuous dialogue with each other and are checked for quality and relevance in different application contexts, here the G20

itself, and from there, a mosaic of transregionally elaborated expertise is drawn. The Think20 does not just practice a Track Two Diplomacy, but it serves as the backbone of bringing highly diverse but thematically connected communities of experts together, and thus, over the years, build the infrastructures of knowing and careful reflection for a transregionally-shaped, joint-ability to know and act upon the global challenges of an emerging multipolar world order.

OUTLOOK

We argue that the Think20 is a transregional network of research-based expertise that has (a) immense depth in terms of local context expertise (coming out of a multitude of nationally organized science systems) and (b) is brought into close and continuous dialogue with each other to draw lessons out of the multiple research insights that are relevant for all countries within the G20 and beyond, as well as identify common patterns emerging in the research that is of relevance for joint governance of this emerging multipolar world and global common good.

For the G20 and Think20 processes under Brazil's leadership in 2024, this means:

1. Paying attention to the process, foster and harness it in an inclusive, scientifically independent, politically impactful manner;
2. Cherish long-lasting networks grown over many years between institutes, experts, and think tanks involved in order to build on a slowly emerging joint language and a multiperspective analytical lens;
3. Making use of the diversity of the different science systems involved and that the Think20 process rests on, each of them coming with its own strengths;
4. Avoid exclusionary practices or discourses that feed into divisions in the world rather than focus on complimentary convergences.

A “Southernization” of global governance is much needed. While only around 1/8th of the world population actually live South of the Equator, the everyday lived experiences of many social groups in the so-called South have been marginalized for so long that their interests, needs, and visions of the future feature far too little on the level of global governance. The Think20 has a responsibility to carry the aspirations of the future present in the “South” into the level of global governance.

At the same time, it is responsible for doing this in an empirical, evidence-based, and differentiated manner. A geopolitization of geography in which some countries in the South are not included in the “Southernization” while others in the North seem to at times even dominate the definition of “Southernness” should be answered with great caution by the Think20.

Research-based policy advice and science diplomacy are always as good as the quality of expertise and epistemic friendship carried into the processes. It is the contribution that the Think20 can and has to make to ensure that we in the future will live in a multipolar world that constructively cooperates with each other and in the interest of a global common good for all. ☐

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Promoting a New Narrative for Progress and Prosperity: Tapping the Potential of the Brazilian G20 Presidency

Markus Engels

Dennis Snower

Abstract: Brazil can make history with its G20 Presidency. With the main priorities of the Presidency—promoting social inclusion and food security; the clean energy transition and sustainable development; and reform of global governance institutions—the country can tackle major global problems by recoupling economic progress with social and environmental prosperity. This way, Brazil can ensure that people worldwide enjoy economic sufficiency, social cohesion, individual empowerment, and environmental sustainability.

Keywords: G20; economic transformation; recoupling; sustainable development.

Brazil's G20 Presidency, started in December 2023, is good news for the world. The reasons are manifold. First and foremost, Brazil is in an excellent position to address many of the world's "shared problems," such as climate change, biodiversity loss, ocean acidification, financial instabilities, trade restrictions that are detrimental to the environment and society, sovereign debt problems, energy and food insecurity, cybersecurity threats and more. Further shared problems require new international governance systems, such as the reform of multilateral lending and trade institutions. These are problems that no nation can tackle on its own; global cooperation is required. Global cooperation requires experience in thinking beyond the bounds of class, ethnicity, religion, nationality, and other sources of identity. Brazil has ample experience in this regard, derived from its rich history.

In addition to the shared problems, nations often face "common problems," lying in the domain of national governments, such as threats to social inclusion, sustainable development, education and training, social security, and other national problems. Frequently, common problems can only be addressed successfully if they are accompanied by appropriate responses to the shared problems. The problem of climate change, for example, requires policy responses that promote social inclusion in the climate action process. Brazil, as a major developing country that is integrated into the world economy and plays an active role in international politics, has much experience in shaping policy responses to shared problems in consonance with a constructive approach to the common problems.

[The world's "shared problems"] no nation can tackle on its own; global cooperation is required. Global cooperation requires experience in thinking beyond the bounds of class, ethnicity, religion, nationality, and other sources of identity. Brazil has ample experience in this regard, derived from its rich history.

Markus Engels is Secretary General of the Global Solutions Initiative. He is a social scientist with a background in politics and international affairs.

Dennis J. Snower is founder and President of the Global Solutions Initiative, Berlin; Professorial Fellow at the Institute for New Economic Thinking, Oxford University, and Non-resident Fellow at Brookings.

All three main priorities of the Brazilian G20 Presidency (Brazil 2023)—social inclusion and food security; clean energy transition and sustainable development; and reform of global governance institutions—address the shared problems, along with the most important common problems that must be tackled simultaneously.

The energy transition must play a central role in reducing carbon emissions to mitigate the impacts of climate change. Reducing reliance on fossil fuels and moving towards full reliance on renewable energy sources, while minimizing dependence on exhaustible and geopolitically sensitive raw materials, are essential in this regard. The transition to sustainable energy sources presents major opportunities for the development of new industries and the creation of green jobs. The transition to cleaner energy sources can improve air and water quality, thereby promoting public health. Investing in innovation and research in these areas can position Brazil at the forefront of the emerging green economy, with important potential repercussions for sustainable development in the rest of the G20.

Many regions around the world face challenges related to hunger, malnutrition, and food insecurity. The G20, as a group of major economies, recognizes the moral imperative to address immediate needs and alleviate suffering in vulnerable populations. Furthermore, food security is closely tied to poverty reduction. By ensuring access to sufficient, safe, and nutritious food, the G20 aims to contribute to the broader goal of sustainable development, which includes lifting people out of poverty. G20 nations play a significant role in global agricultural production. Collaborative efforts to enhance agricultural productivity, transfer agricultural technology, and promote sustainable farming practices contribute to global food security. Brazil has a crucially important role to play in this regard. The G20 acknowledges its role in responding to food crises, whether caused by conflict, natural disasters, or other emergencies. Coordinated efforts are essential to provide timely and effective humanitarian assistance to those in need. Brazil can forge new channels of collaboration for this purpose.

Policies that promote social inclusion are essential for ensuring that the benefits of energy and food security initiatives are distributed equitably across society. By addressing inequalities and empowering marginalized communities, the G20 can contribute to more sustainable and resilient energy and food systems, aligning with broader international goals for inclusive and sustainable development. Social inclusion ensures that marginalized and vulnerable populations have equitable access to energy and food resources. Without inclusive policies, certain groups may face barriers in accessing essential services, leading to disparities in energy and food security. Socially inclusive policies can contribute to poverty alleviation by providing opportunities for marginalized communities to participate in and benefit from the energy

and agricultural sectors. Inclusive policies foster community engagement and ownership of sustainable development initiatives. When communities are involved in the planning and implementation of energy and food security programs, the likelihood of success and sustainability increases.

The reform of global governance institutions is a key agenda item for the G20 because it reflects the recognition that a more inclusive, representative, and adaptable international system is necessary to effectively address the challenges and opportunities of the 21st century. The G20 represents a platform for major economies to coordinate on global economic issues. Reforming global governance institutions is essential to ensure that these institutions are representative and capable of addressing the challenges and opportunities in the rapidly evolving global economy. The reform of global governance institutions aims to enhance their legitimacy and representation. This involves ensuring that the decision-making processes and structures of international organizations reflect the diversity of the global community, including emerging economies. Reform efforts seek to promote inclusivity by giving a voice to a broader range of nations. This is important for fostering a sense of ownership and participation in the international system, ensuring that the benefits of global governance are distributed more equitably. The international community faces new and complex challenges that may not have been anticipated when many global governance institutions were established. Reform allows for the incorporation of new issues and the development of innovative approaches to address emerging global concerns. The reform of global governance institutions is crucial for maintaining and strengthening the multilateral approach to addressing global issues, emphasizing the importance of cooperation over unilateral actions. In all these respects, Brazil can make major contributions in the development of a new multilateralism in which the Global South plays its rightfully important role.

The reform of global governance institutions is a key agenda item for the G20 because it reflects the recognition that a more inclusive, representative, and adaptable international system is necessary to effectively address the challenges and opportunities of the 21st century.

Brazil is rich in resources. It is not only a regional power in South America, but exercises global influence due to its important role in the G20 and the BRICS.

Furthermore, in light of the nation's diversity, Brazil has both experience and competence in seeking a fair dialogue in national and international arena in which all relevant voices are heard. Brazil's stance in favor of fair and effective multilateralism is known worldwide and plays an important role internationally.

At the same time, Brazil is strongly affected by social inequality and therefore knows from its own experience that justice is often a prerequisite for finding sustainable solutions to problems. Justice can be seen directly and obviously in terms of equal opportunities for all and fairness in the distribution of the gains from market activities. In the 21st century, however, justice requirements for climate, gender and intergenerational issues will also be decisive for sustainable solutions.

Due to its past, Brazil also has the bitter experience of colonialism. This is another reason why this South American country is often accepted internationally as a mediator. In short, these aspects mean that the world can expect a lot from Brazil's upcoming G20 Presidency.

In the coming years, the G20 will have to tackle a mammoth task: in addition to the substantive challenges mentioned above, such as the climate crisis and the fight against social inequality, the international system has changed in such a way that multilateralism and the institutions associated with it have fallen into crisis. Although the Indian G20 Presidency can point to the success of having achieved better representation by including the African Union in the G20, the international governance system has not yet adequately taken into account the increasing prominence of China and India in geopolitics—as well as the resulting concomitant conflicts with the U.S.—and the ambitious plans of the BRICS. This means that, in addition to the substantive challenges, we would argue that we currently lack the proper institutional framework and international procedures required to contend with the shared problems described above.

At the same time, it is becoming increasingly obvious that the still prevailing economic model, which not only allows but, in some cases, even promotes the profits of the few at the expense of the many, is unsustainable. The consumption of resources and the emission of greenhouse gases, predominantly by the rich, is leading humanity to an environmental abyss, while more than 700 million people live in poverty, according to the latest estimates by the World Bank (nd). This is clearly not a system that works in the broad public interest (Engels 2023). A change of system is therefore necessary. Progress must no longer be viewed purely in economic terms but must also consider its environmental and social impact. In concrete terms, this means that the G20 should agree to establish a more comprehensive measurement of prosperity that takes into account the ecological and

social effects of economic growth. Such comprehensive measurement could end the dispute about green-growth or no-growth.

Such a new understanding of the economy would automatically have an impact on the mandate of international financial institutions, because it would immediately become clear that their work must also serve the social and ecological good. The same applies to the private sector: the economy does not serve its own purposes, in the narrow sense of profit maximization, but rather the economy must serve society. This means making companies responsible for the common good, alongside the government and civil society.

All of the above points to a new narrative for the G20. Prosperity can be achieved only when people worldwide enjoy economic sufficiency, social cohesion, individual empowerment, and environmental sustainability. We call this the “recoupling paradigm,” because its aim is to recouple economic prosperity with social and environmental prosperity. Furthermore, we can speak of progress only if it occurs on all four levels. In short, economic growth at the expense of the environment or social cohesion is not progress. This “beyond GDP” approach has important implications for reporting and assessment of

business performance as well as government performance. Global corporate and government accounting in the spirit of recoupling is also an urgent task that the G20 must take on. If the Brazilian G20 Presidency embraces this on its agenda, its Presidency will make a major impact for this reason alone.

In the so-called Think20 process, important preliminary work has already been done to develop a new paradigm or narrative (Snower 2022). It would be a historic success if the Brazilian G20 Presidency succeeded not only in making progress on the world’s shared problems, but also in achieving a fundamentally new understanding of our social and economic system in terms of recoupling. That would be good news for the world! Brazil’s wealth of experience gives us hope that this could be achieved during its G20 Presidency. ■

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Amina J. Mohammed. Source: United Nations.



Samir Saran. Source: Personal Collection.

INTERVIEWS

“I have no doubt that Brazil can help imprint the type of ambition we need” 246

Amina J. Mohammed

“[Brazil and India] have a stake and voice, by rights, not indulgence” 254

Samir Saran

“I have no doubt that Brazil can help imprint the type of ambition we need”

AMINA J. MOHAMMED

Ms. Amina J. Mohammed is the Deputy Secretary-General of the United Nations and Chair of the United Nations Sustainable Development Group.

Prior to her appointment, Ms. Mohammed served as Minister of Environment of the Federal Republic of Nigeria, where she steered the country’s efforts on climate action and efforts to protect the natural environment.

Ms. Mohammed first joined the United Nations in 2012 as Special Adviser to former Secretary-General Ban Ki-moon with the responsibility for post-2015 development planning. She led the process that resulted in global agreement around the 2030 Agenda for Sustainable Development and the creation of the Sustainable Development Goals.

Ms. Mohammed began her career working on the design of schools and clinics in Nigeria. She served as an advocate focused on increasing access to education and other social services, before moving into the public sector, where she rose to the position of adviser to four successive presidents on poverty, public sector reform, and sustainable development.

Ms. Mohammed has been conferred several honorary doctorates and has served as an adjunct professor, lecturing on international development. The recipient of various global awards, Ms. Mohammed has served on numerous international advisory boards and panels. She is the mother of six children and has four grandchildren. (Source: <https://www.un.org/sg/en/dsg/index.shtml>)

The following is the interview given to CEBRI-Journal in August 2023.

In your 2021 TED talk, you emphasized the urgent need for G20 countries, which account for over 80% of global greenhouse emissions, to take the lead in decarbonizing the world economy by 2050. Additionally, you called upon the G20 nations to cease subsidizing fossil fuels and completely phase out the use of coal. India holds the G20 Presidency, with Brazil scheduled to assume the Presidency in 2024, followed by South Africa in 2025. Given this context, how do you believe Global South countries should spearhead discussions on Sustainable Development Goals (SDGs) within the G20 framework? Furthermore, how can they ensure that G20 countries adequately address the unique challenges developing nations face in combating global warming and achieving decarbonization?

AMINA J. MOHAMMED: It is true that the Secretary-General and I have underscored in different opportunities that the battle against climate change can only be won with G20 countries leading the change – from the inside out. We have a unique opportunity in our hands. The consecutive G20 Presidencies of Indonesia and India, followed by Brazil and South Africa, offer an anchor for Global South countries to help raise the ambition within the G20 and reposition sustainable development at the center of the global agenda.

The consecutive G20 Presidencies of Indonesia and India, followed by Brazil and South Africa, offer an anchor for Global South countries to help raise the ambition within the G20 and reposition sustainable development at the center of the global agenda.

The imperative is clear to all. Climate action and sustainable development are two sides of the same coin, and countries from the South understand that better than any other group of countries. In the immediate term, G20 economies must adopt an SDG stimulus package that will provide low- and middle-income countries with investments and liquidity, and offer debt relief and restructuring. We are talking about a major injection of investment that can lay the ground for green and just transitions. In the medium to longer term, the G20 must lead the type of reforms to the international financing architecture that will enable green transitions at scale. Regulation alone is not enough.

The Secretary-General's Acceleration Agenda is based on a solidarity pact through which all big emitters make extra efforts to cut emissions, and that wealthier economies support emerging

economies to do so. Under this Agenda, G20 countries must cut emissions by 45% by 2030, meaning developed countries must fast forward their net zero deadlines to as close as possible to 2040 and emerging economies as close as possible to 2050.

It is essential that developing countries receive and access all necessary support to transition their economies to be renewable energy-based and climate-resilient. Among the crucial contributions that G20 countries must deliver is ensuring that International Finance Institutions (IFI) such as the World Bank, all multi-lateral development banks (MDBs), and the International Monetary Fund (IMF) are equipped with the risk appetite, operating models, and financial capacity so that they can support developing countries in implementing the SDGs and the energy transition.

During my recent visit to Brazil, I saw the high ambition that the government has for its G20 Presidency next year. I had very fruitful engagements with authorities – including Minister Mauro Vieira, Minister Marina Silva, and several officials from the Ministry of Finance. I see alignment of vision and drive to take the global efforts forward. In meeting youth, women, indigenous groups, civil society, and the private sector, I saw the vibrancy and strength of the Brazilian society as a whole.

I have no doubt that Brazil can help imprint the type of ambition we need, building on the Presidencies of Indo-

nesia and India and looking ahead to the South African Presidency. This is a unique opportunity that the G20 simply cannot miss.

In the same TED talk, you eloquently highlighted the remarkable “Great Green Wall Initiative,” initiated by the African Union in 2007. This ambitious project sets out to restore the degraded landscapes of the Sahel region by creating a sprawling green wall of forests that spans from Senegal in the West to Djibouti in the East. You also emphasized the significant challenge of insufficient funding that hampers the progress of this initiative, urging developed countries to honor their commitment under the Paris Agreement funding. However, it is crucial to acknowledge that the Global Land Outlook of 2002 shed light on various implementation challenges faced by the Great Green Wall Initiative, which extend beyond funding constraints. These challenges encompass the need for robust political support at the highest levels, improved organizational structures and processes, and the importance of fostering coordination among the diverse countries involved in the project. Given these factors, how can this project – with its promises and difficulties – exemplify Africa’s commitment

to Sustainable Development Goals (SDGs) as a whole?

AJM: The Great Green Wall is arguably one of the world’s most inspiring land restoration programs. It is an Africa-led, country-owned initiative that does not just plant trees but transforms lives and livelihoods across large swathes of the continent while helping address the climate crisis and advance the implementation of the SDGs. The vision is to restore 100 million hectares of degraded lands by 2030, sequester 250 million tons of carbon, and create 10 million jobs in a region marked by unemployment and migration.

By virtue of its sheer size and ambition, implementing such a large and complex program in the Sahel, especially as one of the harshest regions on Earth, is no easy task. The fact that the Sahel region is inflicted with interconnected political, social, and environmental challenges certainly complicates operations on the ground and yet makes intervention even more compelling.

A new impetus to the Great Green Wall Initiative was given in 2021 at the One Planet Summit in Paris, with US\$ 19 billion pledged by donors and technical support offered by partners. Two years on, 80% of the funding pledged towards the Great Green Wall Accelerator have been programmed across the 11 African nations that are part of the initiative. However, this still falls short of the US\$ 33 billion needed to achieve the Great Green Wall vision.

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Continued political leadership and country ownership, targeted action at all levels, and strengthened institutional arrangements are therefore imperative to realize the vision of this Africa-led movement.

In the press conference conducted at the United Nations Commission for Africa (ECA) in 2023, you eloquently presented a compelling argument advocating for a new narrative for Africa that moves beyond the surface-level treatment of domestic problems and focuses on addressing their underlying causes. Central to this narrative is the notion of Africa reclaiming its autonomy in determining its own investments and identifying priority areas rather than being subject to external influences. During the interview, you also emphasized that financing poses the most significant challenge in this pursuit. Many crucial investments needed in

Africa today are simply unavailable within the confines of the international financial system. To address this issue, you advocated for implementing flexibility clauses, allowing African countries to utilize Special Drawing Rights (SDRs) during times of crisis. Additionally, you highlighted the necessity for a more adaptable debt framework for African nations contending with the adverse effects of the War in Ukraine. Given the unlikely prospect of significant changes occurring within the international financial system in the foreseeable future, how can one sustain a new narrative about Africa without relying on Western international support regarding financial resources and investments? Are there alternatives elsewhere? Can other Global South countries offer alternatives to African countries?

AJM: The global financial system is facing a crisis, requiring urgent reforms. With the 2030 deadline for the SDGs fast approaching, progress towards these goals is slipping further away each day. Due to the recent global crises, millions of Africans have been pushed below the poverty line, reversing decades of progress on poverty reduction. If we continue current trends, an estimated 30% of the population in Sub-Saharan Africa will still be living in extreme poverty in 2030.

Yet, in the current architecture, countries that need access to finance for investment the most face the highest borrowing costs. On average, African countries currently borrow at four to eight times higher rates than high-income countries. For instance, an investment in clean energy, which might be competitive in a developed country, can be prohibitively expensive in many African countries. The high cost of borrowing also leaves countries with the impossible choice of servicing their debt or serving their people. Many African countries spend more on debt interest payments than on education or health.

Africa also faces many headwinds to effectively mobilizing domestic resources, such as containing illicit financial flows. Africa loses more money in a year from illicit flows (US\$ 89 billion) than it receives in foreign direct investment (US\$ 54 billion). Addressing such issues will require both changes to the global tax architecture, along with technical capacity improvements at the national level and political will.

While reforming the international financial system is challenging, it is not insurmountable. As noted in the *2023 Financing for Sustainable Development Report* (United Nations 2023), the current architecture is in flux, with ongoing discussions throughout the international system, including in informal country groupings, such as G20 and the Bridgetown Initiative. The issues are in the agenda of the World Bank and Interna-

tional Monetary Fund (IMF) boards, as well as in other fora.

Nevertheless, the reforms are not keeping pace with the challenges, and bold and ambitious change is urgently needed. This is why the Secretary-General has put forward the SDG Stimulus to increase affordable development finance by US\$ 500 billion per year. The role of Southern-led institutions, such as the New Development Bank, is instrumental to this effort.

In his Policy Brief on Reforms to the International Financial Architecture, the Secretary-General outlines an ambitious path forward for long-term structural change. At the heart of these is a call for reforms to global economic governance to ensure a greater voice for developing countries in the international architecture. Other issues covered include sovereign debt, international public finance, the global financial safety net, sustainable financial markets, and the global tax architecture. Indeed, the African group has taken the lead in supporting negotiations on the global tax architecture at the United Nations.

At the same time, African countries must continue to pursue ways to serve themselves better. Reforms to the international architecture and a global investment push must be matched with and supported by coordinated national action. The SDG Stimulus will only succeed if national policies reignite investment in the SDGs domestically. They are two sides of the same coin.

African countries must continue to pursue ways to serve themselves better. Reforms to the international architecture and a global investment push must be matched with and supported by coordinated national action.

To do so, countries must build their domestic productive capabilities and a dynamic domestic business sector to promote decent jobs, productivity, and sustainable growth. This includes strengthening the enabling environment for investment, including supporting small and medium-sized enterprises (SMEs), addressing informality, and tackling corruption. Efforts should be designed to address countries’ biggest investment constraints while building on their natural strengths. Integrated National Financing Frameworks can help countries develop country-owned national plans that respond to countries’ needs and institutional frameworks.

Many African countries have already taken great strides in expanding access to finance, and some have become leaders in fintech. Capacity development through peer learning can be critical to helping those countries that are furthest behind. By working together, Africa can become a leader

in transforming the international system as they do in their leadership on international tax cooperation at the UN and building an African-based sustainable development.

Millions of African-Brazilian girls and women actively search for new role models and heroes who reflect their experiences. They yearn for black women who have triumphed in life, surmounting obstacles to achieve their goals in a society still largely dominated by white men. In Brazil, an impressive feminist black movement has emerged, tirelessly working to reconstruct the country's predominantly white-male historical narrative. This movement aims to reshape Brazil's history by highlighting the pivotal roles played by black women in key moments, individuals who have unfortunately been deliberately omitted from the annals of history. In this context, you inspire many of these women, particularly those engaged in diplomacy and international relations. These women look up to you and seek guidance on navigating and excelling in this realm, especially if they come from humble backgrounds. On a more personal note, what is your message to these women in Brazil, especially to those who want to become diplomats?

AJM: It is an honor to know that my journey has resonated with and serves as an inspiration for African-Brazilian girls. This is an important moment in history, and the voices of the women of Brazil are resonating across the world. African and African-descent women are changing the face of diplomacy in Brazil, but more needs to be done.

My message to young African-Brazilian women is to stand up and be counted, be proud of your heritage, dig for the courage to challenge the status quo, and always put your best foot forward in whatever you are called to do. Remember, even great individuals started from humble beginnings.

I encourage the diplomatic community to be vocal advocates for diversity and to actively promote diplomacy as a viable and accessible career option for Afro-Brazilian women. By creating an environment that allows them to thrive, we can best support their advancement because women's equal participation and representation at all levels of decision-making are key to unlocking the transformational changes needed to secure a future we want and need.

Women's engagement in political processes improves such efforts: more inclusive decisions are made, different voices are heard, and solutions are created.

My message to young African-Brazilian women is to stand up and be counted, be proud of your heritage, dig for the courage to challenge the status quo, and always put your best foot forward in whatever you are called to do. Remember, even great individuals started from humble beginnings. Do not view obstacles as hindrances but as opportunities to overcome and grow. And finally, put people first and at the center of everything you do. Establish strong networks and foster meaningful friendships, as friends can become invaluable allies on your path to personal and collective development.

Our world is not in a good place; climate change, debt distress, rising hunger levels, and a growing geopolitical divide have set back the human development index for two years in a row. We cannot achieve our Sustainable Development Goals, the global agenda for people, planet, and prosperity, if we do not bring along half our population. We all must engage with the challenges and remember that development is a global issue. We need to have a united voice, promote and learn from one another in the Decade of Action to deliver the SDGs, and in the lead-up to the SDG Summit in September, we need the voices of women and youth to take the baton from us and continue the legacy and take the lead on social, economic and environmental change. 🇧🇷

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“[Brazil and India] have a stake and voice, by rights, not indulgence”

SAMIR SARAN

Samir Saran is the President of the Observer Research Foundation (ORF), India’s premier think tank, headquartered in New Delhi with affiliates in North America and the Middle East. His research focuses on issues of global governance, climate and energy policy, technology policy, and India’s foreign policy.

He curates the Raisina Dialogue, India’s annual flagship platform on geopolitics and geo-economics, and is founder of CyFy, India’s annual conference on cybersecurity and internet governance. He spearheads the foundation’s efforts to foster new international partnerships and incubate young leaders networks and youth-led conversations globally.

Samir is a member of the India-CEO Climate Action Group, Global Risks Advisory Board, and the Regional Action Group of the World Economic Forum (WEF). He has served as a Commissioner of The Global Commission on the Stability of Cyberspace. He is also a part of the Board of Governors of East-West Center.

Samir has authored four books, edited important journals and publications, and written several academic papers and book chapters. He is featured regularly in Indian and international print and broadcast media. His latest publications include *The New World Disorder and The Indian Imperative* with Shashi Tharoor, and *Pax Sinica: Implications for the Indian Dawn* with Akhil Deo.

The following is the interview given to CEBRI-Journal in November 2023.

Over the past decades, India has witnessed unprecedented growth not only in economic terms but also in terms of its international prominence. Has India effectively utilized its participation in the G20 to showcase global leadership potential emerging from developing nations?

SAMIR SARAN: By all counts, the Indian Presidency of the G20 can be assessed as having been an outstanding success. The Indian leadership was able to ensure that the dynamic federal architecture was able to jointly deliver on the objectives that had been spelled out at the outset. Every state of India was involved, in some cases infrastructure was invested into certain parts of the country, and in all instances visible support of people and polity was in evidence. The G20 became a people’s project and India hosted about 220 meetings in 60 cities.

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Global South became a participant, and it could contribute to the agenda for the grouping this year. India walked an extra mile to understand their concerns and expectations, and also ensured that some were also invited to the proceedings. It conducted two Voices of the Global South conferences under the chairship of the Indian Prime Minister indicating the seriousness with which it took this task. This has lent legitimacy to its international standing within this very large group.

Finally, at a time of polarized politics and breakdown of trust among countries, India fashioned an ambitious declaration in Delhi that responded to issues that are important to all. It achieved consensus amongst countries on matters that had been left unresolved in other multilateral forums. Its ability to deliver this outcome demonstrated its leadership and that of the emerging and developing countries to contribute significantly and effectively to matters pertaining to global governance. Indonesia, India, Brazil, and South Africa, in the consecutive years of Presidency have an opportunity to showcase the importance and prominence of emerging country leadership in world affairs.

India and Brazil find themselves in a unique position, jointly leading a troika of developing countries. Drawing on India’s experience, can it wield the potential to reshape G20 outcomes? Could

you provide concrete examples of results aligning with the Global South perspective?

SS: Brazil has an even bigger opportunity than India did. India's troika with Indonesia and Brazil straddles two continents—Asia and Latin America. Brazil has the advantage of having a troika which includes South Africa and, therefore, the African continent. It is an opportunity which must be capitalized to articulate our common challenges as leaders in the developing world. Brazil has declared poverty reduction as a key theme of its G20 Presidency and this is very relevant. It is an indication of both our challenges and our aspirations. Equality and Equity, even as we grow and develop, are another Brazilian objective and resonate with developing societies.

India had strived hard with its partners to have a result-oriented G20. India had 87 outcome documents and 118 action items coming out of its Presidency. The African Union's addition to the G20 is of course a key achievement. The adoption of a framework on Digital Public Infrastructure is also a significant milestone. Both of these are at the core of the Global South expectations.

The Indian Presidency has also gone further on the social protection agenda. It has come out with G20 Policy Priorities on Adequate and Sustainable Social Protection and Decent Work for Gig and Platform Workers & G20 Policy Options for Sustainable Financing of Social Protection. This is an import-

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ant part of the Brazilian agenda as well and corresponds with what is needed in developing countries.

Despite the undeniable significance of the G20, the group faces criticism for inherent characteristics like the absence of a permanent Secretariat, insufficient means for implementation monitoring, and perceived lack of representation due to its “elite” membership. Drawing from your first-hand experience, do these criticisms hold merit? What are the primary challenges and gains associated with a grouping like the G20?

SS: We should look at each of these criticisms discretely. First, on the lack of a permanent Secretariat, one may ask if this is in fact a criticism. The G20 has functioned without overzealous bureaucracies. It may well be one of the secrets

to its continued functioning. What we may need is a central repository of G20 knowledge rather than a Secretariat.

The knowledge repository brings us to the second criticism of implementation and monitoring. Leveraging the knowledge repository may allow us to hold the G20 members accountable for their commitments.

The lack of representation is a weakness of any plurilateral grouping. The ideas which brought the group together are the criterion for its exclusivity. It so happens that the G20 members are economically elite because they currently contribute the most to global GDP. The membership should adapt and change with the times. We have started this process with the addition of the African Union to the group. And the efforts of India to partner with the Global South in many ways smashed the glass ceiling and made the G20 relevant and respond to the leadership of the Global South.

At the think tank / academic level, we at ORF (Secretariat of the Think 20) were able to solicit policy briefs from over a 1,000 authors from over 75 countries and ensured that the process is inclusive and open to all. Some of our important convenings outside of India were in Kigali, Rwanda, and Cape Town, South Africa. These established the inclusive design of the Indian Presidency.

As a leader within one of the G20 engagement groups, the Think20,

you have had the opportunity to observe how the integration of civil society on official negotiation tracks functions. Does civil society play a substantial role in agenda-setting or decision-making within the official G20 agenda? If so, how can these opportunities be expanded?

SS: We cannot speak on past Presidencies but can say with confidence this year that civil society has contributed to the official G20 agenda. The energy with which the G20 India team followed and engaged with conversations in all the engagement groups is a reflection of these. We have also seen some of our ideas find space in the Leader’s Declaration.

The addition of the African Union, the commitment to expand climate finance, and the push for digital public infrastructure were all at various points recommended by Think20 India.

The concept of Task Force notes introduced by T20 Indonesia was elevated to Task Force statements by T20 India. It was something that ensured more engagement with the specific Sherpa tracks. For instance, the Trade and Investment Working Group may not want to wait for the full Think20 Communique which may have specific recommendations. It may have more interest in the full statement of the Task Force on Macroeconomics and Trade.

Innovations such as this help academia and think tanks make more valuable and timely contributions to the G20 process.

India and Brazil have a history of coordinating positions in various multilateral forums such as the United Nations, BRICS, IBSA Dialogue Forum, and the World Trade Organization G20. Can the G20 be considered a noteworthy example of the potential for Indian-Brazilian cooperation?

SS: Brazil-India have been reliable partners to each other. At the G20, the United Nations, and the World Trade Organization, the partnership takes on a unique global character. At BRICS, IBSA, and other smaller groups, the partnership is characterized by a conversation amongst similarly situated and aligned countries barring a few exceptions.

Brazil and India have a vital role in keeping the focus on development in these international plurilateral groups. We have a stake and voice, by rights, not indulgence. The two countries are both aware of this and leverage their voice accordingly. The role of the troika in the success of a G20 Presidency is an open secret. Our collaboration at the international level on behalf of the Global South is something we should

Brazil and India have a vital role in keeping the focus on development in these international plurilateral groups. We have a stake and voice, by rights, not indulgence. The two countries are both aware of this and leverage their voice accordingly. The role of the troika in the success of a G20 Presidency is an open secret.

maintain momentum on and continue to permanently center development as the most important mission of the G20. This would certainly be a triumph of the Indian-Brazilian partnership in world affairs.

In India, the Banker's G20 became the People's G20. Brazil, with its rich constituency of civil society and research organizations, will take this forward and shape the process indelibly. ■

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