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With or without you: how the G20 could advance global action towards climate-friendly sustainable development

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With or Without You: How the G20 Could Advance Global Action towards Climate-Friendly Sustainable Development

Summary

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

Yet, since 2017 the G20 has struggled to provide such leadership, as support for multilateral commitments, especially those involving ambitious climate actions, appears to be fading. Crucially, opposition to strong multilateral climate policy in the US and Brazil resorts to outright climate denialism at the highest levels of government. These developments are challenging the G20, and BRICS and the G7 for that matter, to sustain support for multilateral commitments on climate and sustainable development. The rise of populist and unilaterally minded parties in European club members may further the risk of side-lining climate and sustainability-related issues in the G20 process. This does not bode well at a time when the G20’s support could be a vital ingredient for the success of the United Nations’ summits on climate action and sustainable development, both scheduled to convene in

New York in September 2019 – less than three months after the Osaka G20 Summit in Japan.

Following our analysis, we identify four ways forward that should be conducive to harnessing the G20’s economic weight and political clout to push more ambitious global action towards climate-friendly sustainable development, in spite of apparent discrepancies between domestic agendas and global understandings:

- 1) Strive for strong political declarations in support of the multilateral commitments on climate and sustainable development. Yet, focus at the same time on advancing specific issue-centred initiatives that are palatable to domestic audiences and compatible with the objectives of the Paris Agreement and 2030 Agenda, without framing them as “climate policy” or “sustainability policy”.
- 2) Embrace non-state and subnational actors as strategic partners to safeguard continuity in times of antagonistic member governments and volatile policies, as well as to build capacities and strengthen implementation of pertinent policies. The so-called G20 Engagement Groups representing business, labour, civil society, women and think tanks are key partners in this respect.
- 3) G20 workstreams should strive to co-produce specific climate- and sustainability-related initiatives across G20 workstreams as a means to overcome policy silos and to increase ownership and uptake beyond the “usual suspects”.
- 4) The Think20 (T20) should concentrate – rather than further expand – pertinent expertise and policy advice to leverage crosscutting action by G20 workstreams. Furthermore, detaching its working approach from the official G20 calendar could improve its ability to inform strategic agenda setting.

Multilateralism in crisis?

The successful conclusion of two major multilateral processes at the end of 2015 – the adoption of the 2030 Agenda for Sustainable Development with its comprehensive package of Sustainable Development Goals (SDGs) by the UN General Assembly in September, and the adoption of the Paris Agreement under the UN Framework Convention on Climate Change in December – provided reassurance to proponents of multilateral governance around the world. It underscored the capability of the multilateral system to generate vision and consensus about joint goals among a broad range of stakeholders in view of global challenges.

All the same, the tide has been turning against multilateral cooperation in recent years, showing a surge in nationalist populism that thrives, amongst other things, on outright climate denialism. While this does not automatically trigger the often-touted “death of multilateralism”, political changes in major countries such as the US and Brazil cannot be ignored. Furthermore, populist parties and nationalist movements have been on the rise in many European countries, too.

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

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

The G20 process thus creates complementary opportunities to move things ahead by setting agendas and by defining

strategic priorities. Belonging to the club, G20 leaders can be compelled to assume a greater responsibility, not only for their countries but also for the global common good, given the club's economic and consumptive power. While the G20 comprises only a small club of countries, these jointly produce roughly 80% of global greenhouse gas emissions and similar shares of the global GDP and of international trade.

G20's track record on climate and sustainability

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

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

Nevertheless, the G20's support for multilateral commitments to climate action and sustainable development appears to be fading. While the German G20 presidency succeeded in keeping momentum with regard to the implementation of the 2030 Agenda by agreeing, amongst other things, a “Hamburg Update” of previous commitments, it was less successful with regard to its climate agenda. Building on the outcomes of the 2015 G7 summit in Elmau, the German G20 presidency sought also to put a strong emphasis on climate policy. Yet, this effort was undermined

by the new US president, as he backtracked from previous climate commitments.

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

While climate and sustainability-related issues did not figure very high on the agenda of the Argentinian G20 presidency in 2018, the current Japanese presidency shows more ambition. On climate, it intends to support stronger climate action at the Osaka G20 summit, by working with non-state actors and by enhancing climate financing, amongst other measures. The Japanese Presidency’s initiative voluntarily to report G20 contributions to Agenda 2030 at the HLPF meeting in September indicates its commitment also to advance sustainable development discussions.

Nevertheless, beyond commitment on paper, implementation of these commitments at home and outside G20 meetings is essential. While Agenda 2030 tends to be less controversial than the processes around the Paris Agreement, six G20 members have not yet submitted a Voluntary National Review (VNR) (US, UK, South Africa, Russia; China volunteered in 2016, but the full review is not available; the EU is not required to do so, but volunteered for 2019). The US and China do not have a planned date for future submissions yet. Moreover, Russia and Turkey have yet to submit their ratification and the first Nationally Determined Contribution (NDC) under the Paris Agreement. With Saudi Arabia taking over the G20 presidency and the US and Russia at the helm of G7 and BRICS, respectively, support for either agenda cannot be taken for granted in 2020.

Moving forward against the odds

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

First, it would be beneficial to focus on the multitude of interactions between climate and sustainable development that are essentially synergistic. Bottlenecks caused by different views and priorities among G20 members could be overcome by focusing on actions with multiple co-benefits. In that sense, we propose that the G20 emphasises specific issue-centred policies that are compatible with the objectives of the Paris Agreement and 2030 Agenda, but are not considered primarily as “climate policy” or “sustainability policy”. Indeed, many climate actions promise real benefits in terms of job creation, economic savings, competitiveness, and improved well-being more generally (New Climate Economy, 2018). This would relate, for instance, to investments in sustainable infrastructure in the context of urbanisation in a way that is climate resilient and compatible with sustainable development. Pertinent actions that could be of particular interest to G20 members include, inter alia, expanding renewable energy generation to strengthen energy security, promoting energy efficiency to boost economic competitiveness, collaboration for innovations in low-carbon technologies to ensure future advantages in these areas, or cutting fossil-fuel subsidies to free budget resources for social policies. At times of increasing nationalism, often coupled with climate change-denialism, advancing such practical initiatives by the full G20 may ultimately prove more effective than G20 minus X approaches, which could undermine the G20’s cohesion and legitimacy.

Second, we encourage the G20 on domestic levels and in the G20 workstreams to embrace non-state and subnational actors as strategic partners in building capacity, strengthening implementation locally and globally, and boosting transnational cooperation. Indeed, engaging non-state and subnational actors could help to secure support and continuity

Figure 1: G20 working structure during the Japanese Presidency in 2019



Source: Authors.

Please note that focus and composition of working groups and task forces (shown in red) can be subject to changes from one G20 presidency to the next.

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

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

presidency by the infrastructure, anti-corruption and development working groups.

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

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