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Berlin T20 Conference, 12-13 May 2016

**The 2030 Agenda and Pathways to Sustainable Development
International Cooperation and the G20 Presidencies of China and Germany**

Final Communiqué of Conference Co-Hosts

Shanghai / Bonn / Berlin: 30 May 2016

Introduction

This communiqué is presented by the co-hosts of the Berlin T20 (Think 20) Conference, 12-13 May 2016: Institute of World Economics and Politics/Chinese Academy of Social Sciences (IWEP-CASS), Shanghai Institutes for International Studies (SIIS), Chongyang Institute for Financial Studies/Renmin University of China (RDCY), German Development Institute/Deutsches Institut für Entwicklungspolitik (DIE) and Friedrich-Ebert-Stiftung (FES).

The Berlin T20 Conference highlighted the role and responsibilities of the G20 (Group of 20) for the realization of the 2030 Agenda for Sustainable Development with a particular focus on international cooperation. It was attended by 150 high-ranking think tank representatives from almost all G20 member states, as well as policy-makers from G20 members and G20 engagement groups, in particular C20, W20, B20 and L20. A remarkable aspect of the Conference was the large number of participants from the emerging economies within the G20 who came to Berlin as partners of the Managing Global Governance (MGG) Network.

The co-hosts will communicate the findings of the conference to their respective governments. We will also make the text available to a broader public and feed the results into future T20 events. And we will continue to reach out to G20 engagement groups in order to facilitate sharing of experiences, mutual learning and joint initiatives.

G20 and the 2030 Agenda

The global community has come to a critical crossroad of human civilization. With global challenges mounting to unprecedented heights, a new culture of global cooperation is needed to overcome growing divisions among countries and to find a way out of the global gridlock. Against this backdrop, it comes as a sign of hope that the international community in 2015 adopted three path-breaking documents to chart a course of global transformation. These are the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda and the Paris Agreement on Climate Change which together could be interpreted as a new global social contract. As an informal grouping of 19 major economies plus the European Union, the G20 and its member countries should act as guardian of global well-being in the implementation process, moving beyond the unbalanced pursuit of narrow national interests. The Sustainable Development Goals (SDGs) as defined in the 2030 Agenda cannot be achieved globally if they are not realized in all G20 countries, high-income and middle-income alike. At the same time, the SDGs cannot be achieved in the low- and middle-income countries beyond the G20 without support and coherent action by the G20.

Compared to many other countries, members of the G20 command over unique economic resources and state capacities. Therefore, it is essential that the G20 as a whole as well as individual member states meet their responsibilities regarding the SDGs.

In this, the G20 needs to address implementation challenges at three levels. First, the members of the group must accelerate domestic transformation aligned with the 2030 Agenda. Second, they must contribute to the provision of global public goods and work for enabling global frameworks. And finally, they need to support low-income and developing countries in their efforts towards inclusive, sustainable development. In all of this, the G20 should be guided by a people-centered philosophy built on the principle of “Leaving no one behind”.

China’s G20 presidency

As this year’s G20 presidency, China has set the 2030 Agenda as top priority, building on Leaders’ commitment at the Antalya Summit in November 2015. In September 2016, the Hangzhou Summit will decide on a 2030 Agenda Action Plan which will commit the G20 to playing a leading role in implementation. China has initiated an interactive process across all G20 work streams and all G20 members whereby relevant steps by the G20 and its members at the domestic and international level will be identified.

We applaud the efforts of the Chinese presidency and of member countries to strengthen the overall coherence of G20 work streams in both the Sherpa and the Finance Track in support of the SDGs. To turn the vision into reality will take more than one presidency. It is, therefore, of critical importance that Germany in 2017 and subsequent presidencies deepen the engagement of the G20 with the 2030 Agenda. During the conference we also recognized that in many G20 member countries and beyond, populist and fundamentalist movements as well as economic and political nationalism are on the rise. In order to maintain and strengthen an open and fair world economy it is crucial that G20 leaders double their efforts to make economic development and globalization work for all parts of their societies and leave no one behind.

Major recommendations

The world is facing extraordinarily complex challenges today, and the G20 should be a platform for major economies to jointly address common problems and provide global public goods. The universal 2030 Agenda is about great visionary action and transformation of the world economy and its governance. To foster this process, the G20 should adopt it as the overarching framework, instead of treating it as one segment of its agenda. The Development Working Group should be updated to a Sustainable Development Working Group for that purpose. The G20 should focus on critical systemic measures for the implementation of the 2030 Agenda, the Addis Agenda and the Paris Agreement. In the first place, the G20 should make sure that the scale and speed of efforts are appropriate to the level of challenges and ambition. Furthermore, the G20 should ensure that domestic and international regulatory systems and policy frameworks are aligned with the overall 2030 Agenda. The G20 should strengthen the accountability and transparency of their policy-making and support independent assessments and knowledge-creation. Considering the differences among the G20 members and the evolving diversity of the world, the principle of Common But Differentiated Responsibilities as reaffirmed in the 2030 Agenda needs to be respected and updated to reflect this reality (CBDR 2.0).

Working groups at the Berlin T20 Conference identified the following key priorities for G20 leaders:

People: Poverty, inequality and social development

The G20 should scale-up its efforts on overcoming poverty, hunger and inequality worldwide, as defined in the SDGs, inter alia through critical identification of dimensions that include vulnerable, marginalized and excluded groups like women, elderly, and disabled. It will only be possible to mobilize sufficient political will and societal support for the 2030 Agenda if meaningful progress is made on social inclusion, equitable growth and justice within and among all societies. Specifically, the G20 should:

- Ensure that national and international indicators are improved, consolidated or created and monitored on a regular basis. Incorporate traditional economic and social indicators such as Gini Index and Palma Ratio, and develop new ones - e.g. on multidimensional poverty, vulnerability and gender inequalities.
- Significantly scale up education for sustainable development and sustainable lifestyles. Promote the establishment of a Global Fund for Education on the model of the Global Fund to Fight AIDS, Tuberculosis and Malaria.
- Identify the positive and negative impact of technology on employment and harness the positive potential for productive sectors and decent work. Address growing in-work poverty through the establishment of robust minimum wages that ensure living wages, fitting national circumstances and conditions, and promote the application of Fundamental Rights at Work, including with mandatory due diligence in global supply chains. Provide social protection/social safety nets for those outside the labor force through international cooperation, including sharing policy alternatives with one another. Shape social and economic policies in a way which minimizes unpaid work by women with increased investment in social care and related infrastructure.

Planet: Climate change and low-carbon transformation

The universally accepted Paris Agreement has defined a program for de-carbonization and structural transformation of the global economy which poses unprecedented challenges to all societies and requires new levels and innovative modalities of transformational cooperation and mutual policy learning. In particular, low-income and middle-income countries will require comprehensive external support to reach a pathway of de-carbonization within a short period of time. Specifically, the G20 should:

- Remove fossil fuel subsidies by 2025 and establish carbon pricing, channeling revenue streams to support vulnerable social groups and inclusive transformation.
- Call on the International Financial Institutions, including the old and new Multilateral Development Banks, to mainstream sustainable development criteria and to incorporate climate risk into credit rating criteria.
- Initiate early action on policy pathways for de-carbonization before the 2018 stocktaking and prevent further lock-in into CO₂ intensive pathways.

Prosperity: Connectivity, trade and investment

The international trade and investment system is further fragmenting, putting the WTO and its centrality for the global trade regime under continuous stress. There is increasing concern that the least developed world is at risk of being excluded. The G20 members need to focus more on the issue and set a clearer common vision for inclusiveness and multilateralism. Specifically, the G20 should:

- Create momentum for the global trade system by re-energizing the Doha Round. Take stock of bilateral and regional trade agreements and promote the development dimension in them.
- Factor sustainable development into G20 members' growth strategies and investment policies and set according standards for public-private partnerships including through the Global Infrastructure Hub. Provide guidance for the reform of international investment agreements, including Investor State Dispute Settlement mechanisms.
- Build infrastructure for science, technology and innovation in order to foster new models of inclusive and sustainable growth. Support the Technology Facilitation Mechanism and link technology transfer and financing.

Partnership: Financing the SDGs

The G20 should ensure sufficient financing for development, as decided in the Addis Agenda by strengthening domestic resource mobilization and implementing commitments on Official Development Assistance. The G20 should also create the necessary regulatory framework to encourage public-led investment towards realization of the 2030 Agenda, instead of seeking short-term gains. Specifically, the G20 should:

- Call on the Multilateral Development Banks as a whole to review their policies, with the aim to expand their lending volume for sustainable development to USD 200 billion per year. Broaden access to funding resources for cities and other sub-national entities. Promote sovereign debt restructuring instruments and review the debt sustainability framework adopted by international financial institutions.
- Double efforts to create a fair global tax system that allows also for domestic resource mobilization, including combating illicit financial flows and establishing a minimum corporate tax rate. Take special action to deal with concerns of the developing countries on this aspect. Ensure that gender bias is reduced in tax structures.
- Incentivize long-term investment, especially for sustainable, low-carbon infrastructure, in support of SDGs by reforming the financial regulatory framework, including adopting appropriate capital account control measures. Broaden the definition of infrastructure to encompass both economic and social infrastructure for sustainable development.

Future role of the T20

This communique builds on the rich and fruitful debates in Berlin which were guided by the search for common ground while respecting differences of viewpoints. It is not claiming to represent the wide range of perspectives articulated by participants who expressed their keen interest in providing practical advice and viable solutions to policy-makers. Simultaneously, they emphasized the important role of the T20 as a platform for joint knowledge-creation, reaching beyond short-term exigencies. From the perspective of the 2030 Agenda, transformative and transnationally organized science is an indispensable factor for global problem-solving. However, innovative knowledge can only become effective on a global scale if it is co-created by scholars from different world regions and civilizations, and if it reflects different ideas and approaches. In this regard, the Berlin T20 Conference has served its purpose well as a highly diverse laboratory of scholarly dialogue and collaboration.

Think tanks engaged in the T20 have a unique contribution to make regarding monitoring and critical assessment of national as well as collective policies and performance. They are also focused on mutual learning and providing practical advice to global problem-solving. We, the co-hosts of the Berlin T20 Conference, are fully committed to expand our work on the 2030 Agenda through the T20 process. We will strengthen our efforts in joint knowledge creation for global sustainable development, including monitoring G20 commitments across successive presidencies. Similarly, we will intensify our dialogues with policy-makers, knowledge institutions, engagement groups and other stakeholders who have an essential role to play in this regard. We will continue to strengthen networks of think tanks to support the realization of the common global good in national policies and on the international, systemic level. Finally we want to make sure that the T20 process continues to support the promising work of the G20 on the domestic and international implementation of the 2030 Agenda which has been initiated by Turkey's and China's presidencies. We are looking forward to the concluding T20 Summit under the Chinese G20 presidency in Beijing on 29-30 July 2016 and to the T20 process under the incoming German G20 presidency.