

2020 Civil Society 20 Policy Pack









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Introduction

The Civil Society 20 is pleased to produce the 2020 C20 Policy Pack, which includes 11 policy papers addressing G20 priorities for this year, along with maintaining the continuity of civil society demands to G20 Leaders from previous years. The pack provides the C20 policy recommendations for G20 working groups in both tracks: Sherpa and Finance Tracks. We are hopeful that during this year, the G20 Finance Track considers the perspective and experience of Civil Society, and does not limit its stakeholder engagement to the business community.

The C20 policy papers have been developed through an extensive consultation process, representing the views of over 700 Civil Society Organizations from across the globe -including non-G20 countries and small island nationsthat are affected by G20 policies and decisions. We have developed our policy papers guided by <u>our principles</u> of inclusivity, transparency, independence, collaboration, human rights, gender equality and women empowerment.

While addressing this year's G20 priorities, we have also identified the gaps. This year's policy pack was highly influenced by the global outbreak of the COVID-19 pandemic. Our policy papers address the urgency of the global situation, but also provide recommendations for redefining a new normal for the recovery period. In addition, the C20 policy pack reminds G20 Leaders of the many commitments they made without proper implementation or follow through, namely numerous commitments



on women & youth empowerment, on combating corruption, along with achieving the UN Sustainable Development Goals. As civil society organizations, we act as vehicles for citizens' empowerment, and work on enhancing governmental accountability and transparency. We hope to provide, through the C20 policy pack, critical insights and actionable recommendations that achieve equality and justice, especially for vulnerable communities, while protecting our planet, to fulfill the promise of leaving no one behind. The policy pack includes 11 policy briefs representing the views of the C20 working groups, which mirror G20 working groups:



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The pack also includes proposals for implementation plans, guidelines & principles, along with case studies that we believe will help G20 working groups and officials towards designing implementable commitments.

Policy Papers

Α.

C20 Sherpa Track Compendium



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Anti-Corruption

<u>Highlights</u>



As a result of the global pandemic institutions are channeling huge quantities of funds into health and sanitation systems around the world, which requires close monitoring and oversight to ensure accountability and equity.



Pushing back against closing civic space, protecting whistleblowers and supporting human rights defenders are essential for more democratic, accountable societies.

Summary

of C20 Anti-Corruption Recommendations for 2020:



Open & Just Response to the Global Pandemic, through:

- Adhering to open data standards
- Gender mainstreaming
- Robust whistleblower protection for anyone disclosing fraud



G20 governments must use technology as a tool for anti-corruption efforts, to improve transparency and information-sharing. and to engage citizens in decision-making.

- Adopt and adapt financial management information systems to ensure the transparency of public spending;
- Prioritize data privacy and security issues above all;
- Support open government principles in partnership with users and civil society



Accountability of the G20 process needs to be enhanced and further developed to allow for proper implementation of G20 commitments, by:

- Establishing better reporting mechanisms & assessment of implementation
- Work closely with C20 on mainstreaming accountability into other G20 streams of work
- Commit to publishing all G20 documents online



Anti-Corruption

Relevant G20 Commitments & Statements

"Combating corruption remains a top priority for the G20. Preventing and fighting corruption...are core to maintaining the rule of law" "No country is immune (to corruption) and governments cannot tackle it alone: we need the support of business and civil society." "We need to accelerate the implementation of our past commitments, which will be one of the priorities of the ACWG in the next three years." "Focus stronger political attention and leadership on G20 anti-corruption priorities... setting concrete, practical commitments... and continuing to publish an annual progress report."

G20 Anti-Corruption Action Plan 2019-2021

The Context

In the midst of the COVID-19 crisis, we can see clearly why equitable and sustainable global development is impossible unless we fight corruption. <u>Healthcare and sanitation systems</u> that have been gutted by corruption around the world hinder our ability to address the pandemic; while many citizens are asked to pay bribes they cannot afford for access to the care and support they need. Meanwhile huge amounts of spending in response to the pandemic needs to be accountable and well managed if it is to aid recovery. Corruption continues to cost trillions every year; and kills millions of people as a result of the exclusion, poverty and insecurity it perpetuates.

A key aim of the Saudi G20 Presidency is empowering people- particularly women and youth. This is impossible without directly confronting corruption, building accountability of governments and businesses, and supporting valuesbased decision-making. Civil society plays a central role in this process, which also requires, therefore, concerted efforts to push back against closing civic and political space everywhere; support for citizens that are speaking up against graft; and governance mechanisms that include citizen voices in meaningful ways.

The G20 must go much further in implementing previous anti-corruption commitments, bolster accountability and demonstrate a clear commitment to this agenda going forward. The C20 believes now is the time for the G20 to take important steps to improve accountability and fight corruption within healthcare systems. The C20 also recognizes and supports the G20 Anti-Corruption Working Group's focus on additional key priorities, with a recognition that gender considerations should be mainstreamed within each. The C20 would like to suggest the following recommendations to improve the G20's approach to anti-corruption.

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A. C20 Sherpa Track Compendium Anti-Corruption

1. Ensure accountability and fight corruption within public health and emergency procurement in response to COVID-19.

Position:

The COVID-19 epidemic and the global response to it has highlighted once again the importance of ensuring accountability and transparency for public resources, and in public trust of governments. Because of the urgent nature of the response to COVID-19, G20 governments must push to ensure requisite attention and oversight of procurement, relief funding and healthcare provision and integrate specific anti-corruption commitments into COVID-19 and relief-related legislation. Additional efforts should include:

- Complete transparency of all COVID-19 and other health spending and emergency procurement in all countries according to open data standards, with contracts and disbursements that include relevant anticorruption clauses and which are made fully open and accessible to the public. All contractors and sub-contractors should be required to provide beneficial ownership information;
- Oversight boards to oversee the management of and reporting on stimulus funds, and increased funding for Inspectors General and relevant government accountability offices to assist government entities with their oversight responsibilities;
- Insistence that emergency laws passed during COVID-19 are not used to curtail human rights or oversight in the longer-term and are expressly temporary in nature;
- Ongoing efforts to ensure citizens and CSOs can provide monitoring and oversight of the delivery of healthcare and sanitation, and robust whistleblower protections for any healthcare workers and citizens disclosing corruption or fraud within healthcare, relief funding and procurement systems at any time.

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2. Facilitate the use of and share lessons around ICTs and open data for anti-corruption

Position:

While technology is just one part of any solution, the G20 governments must use technology where possible for anticorruption efforts, to improve transparency and information-sharing, and to engage citizens in decision-making. This should include:

- Adopt and adapt financial management information systems to register emergency response funds and publish open data using standards including the Beneficial Ownership Data Standard (BODS), the Open Fiscal Data Package (OFDP) and the Open Contracting Data Standards (OCDS), to ensure the transparency of public spending;
- Support for the development and use of ICT tools to fight corruption- such as e-procurement platforms- that are as inclusive as possible, while prioritizing data privacy and security issues above all:
- Support open government principles to engage and design ICT systems in partnership with users and civil society to improve government responsiveness and preparedness to citizens; and ensure information about corruption issues is shared in understandable ways with relevant public, private and civil society stakeholders, locally, nationally and internationally;
- Establish ICT-based communication channels, measures and systems (supplemented by offline equivalents) to facilitate public reporting of corruption offences in line with the G20 High-Level Principles for the Effective Protection of Whistleblowers and in accordance with articles 13 & 33 of the UNCAC.

3. Build integrity within Public-**Private Partnerships (PPPs)**

Position:

In cases where it can be demonstrated with sufficient evidence that PPPs are clearly in the interest of citizens, have been subject to significant public scrutiny and will support social and environmental equity, G20 governments should find ways to ensure these partnerships are transparent and accountable through:

- Adoption of legal frameworks to establish or improve enabling environments for PPPs, and support for innovative PPP governance structures such as ethical councils or trusts:
- Proactive disclosure of critical information at every step of the PPP process, according to open data standards and disclosure frameworks such as the Open Contracting for Infrastructure Data Standard;
- Consistent efforts to ensure PPPs become people focused by engaging citizens around information-particularly financial data- related to projects at every stage, and through the development of accessible platforms that use citizen-generated data to improve decisionmaking.





4. Support the development and implementation of national anticorruption strategies

Position:

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The C20 recommends that all governments put in place robust, far-reaching and implementable anti-corruption strategies based on multi-stakeholder consultations and with implementation arrangements that have political support and resources. These should be inclusive in every way, aligned with national development goals and should ensure a focus on implementation through the following:

- Relevant national anti-corruption bodies- along with all other government agencies- with the mandate, power, expertise and resources to ensure full implementation of anti-corruption efforts and the monitoring of results;
- Connections between national strategies and international frameworks and approaches to fighting corruption, including in particular, the UN Convention Against Corruption (UNCAC), the Anti-Money Laundering (AML) frameworks such as the Financial Action Task Force (FATF); and asset return frameworks such as the Stolen Asset Recovery Initiative (StAR).
- Public dissemination of the strategies, with reports on progress to the public in a transparent way on an annual basis against measurable goals, with clear indications of how learning will be used to improve outcomes and clear means to include civil society at every step of the process.

Accountability of the G20

Since the G20 ACWG was formed in 2010, there have been more than 60 commitments made by G20 governments on anti-corruption, but very few of these have been fully implemented. This is undermining trust in the G20 and calling the credibility of the process into question. The G20 ACWG should push for a more robust G20 accountability framework and place a clear focus on the implementation of existing commitments through three clear steps:

- Improved target setting and reportingthrough work plans matched with clear goals and timelines, which are then matched with formalized, consistent annual reports on progress against targets at the country level. G20 countries should also follow-through on dedicated accountability reports for each commitment area (High-Level Principle) to allow for assessment of implementation and put in place a peer review mechanism to bolster accountability. As outlined previously, in the case of non-compliance, countries should report clearly on challenges faced, lessons learned and ways forward.
- Greater engagement- with civil society through ongoing consultations with CSOs in-country before the G20, sharing relevant outcome documents with civil society in a timely manner, and through deeper engagement of CSOs in G20 Working Group meetings, including through the presence of C20 representatives in all discussions. The G20 ACWG also needs to engage more closely with other G20 Working Groups to ensure that anti-corruption is considered as a cross-cutting issue.
- Better communication- by building on the Argentine commitment to put all G20 documents in an easily accessible page on the G20 website; publish all previous and current ACWG documents and progress reports on the website within 1 month of publication; and disseminate these reports widely through email and social media.



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Climate, Energy & Sustainability

<u>Highlights</u>



The global solidarity during the COVID-19 response should similarly drive our efforts to boost global action and increased ambition in national plans on climate action, energy transition, and environmental sustainability.



G20 countries must attend to the most vulnerable communities affected by climate change, particularly small island states, who are prone to higher risks to wellbeing, livelihoods, and culture.



Particular attention should be paid to combatting desertification, land degradation, wild animal trade, as well as protecting and restoring marine resources.



Uphold sustainability globally, nationally, and especially at community and city levels with a focus on responsible urban planning, investment, production, and consumption trends.



Any COVID-19 economic recovery package must be sustainable, environmentally-sound, climate resilient, and socially conscious.



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Climate, Energy & Sustainability



Context Challenges

G20 countries are responsible for approximately 80% of the world's greenhouse gas emissions and their decisions impact all countries. Climate change, energy transformation, and environmental sustainability priorities were and still are part of the G20 agenda. However, a global consensus on climate, energy, and sustainability is still far from reach. G20 countries must ensure inclusivity, fair representation of the global south, and consider the full spectrum of issues facing the planet. G20 countries must bear that responsibility and lead the charge for stronger mitigation and adaptation policies. Many people across the world are already suffering the impacts of climate change and many people across the globe have started mobilizing in demand of climate action.

The global pandemic, COVID-19, has created an unprecedented impact on global health, economy, and energy markets. Global oil demand in 2020 is expected to decrease by an average of 9.3 Mb/d compared to 2019 according to IEA. Moreover, the International Monetary Fund projected a contraction in the global economy by 3%. We acknowledge the efforts led by the G20 to stabilize energy markets and combat the impact of COVID-19. However, the concern is that this crisis may lead countries to reprioritize their Climate, Energy, and Sustainability targets.



G20 Commitments and Priorities

The G20 shares the vision of: Sustainable energy transition and access that realizes the "3E+S" (Energy security, economic efficiency, and environment + Safety); addressing climate change; improving resource efficiency; financing sustainable development; reducing marine litter; and promoting sustainability of oceans.

We welcome the G20 2020 priorities which are across: **Empowering People**, **Safeguarding The Planet**, and **Shaping New Frontiers**. In addition to the statement: "Our collective responsibility is to build a solid momentum for cooperation. We need to address those challenges together". We acknowledge the G20 2020 priorities related to Climate, Energy, and Sustainability.

Reflection

The global pandemic, COVID-19, tested our ability to work together in solidarity seamlessly to overcome this global challenge. Such prompt reaction must drive our efforts to boost global coalition on climate action, energy transition, and environmental sustainability.



Policy Recommendations

1. Climate

In the light of the current climate crisis, and building on the 2017 G20 Climate and Energy Action Plan for Growth, the 2018 G20 Leaders Communique, the urgency shown in the IPCC Special Reports on 1.5°C, Land, and Oceans and Cryosphere, we expect G20 countries to:

- Make concrete commitments on enhancing Climate targets, including Nationally Determined Contributions (NDCs) and Long term Strategies by 2020, in line with the Paris Agreement (PA), aiming to reduce collective global emissions by half by 2030 and towards net balance of all greenhouse gases by 2050, acknowledging that current commitments are insufficient to achieve the goal of the PA;
- Scale up climate finance and align FINANCIAL FLOWS with the PA and SDGs:
 - Demonstrate progress on collectively scaling up climate finance towards the US\$100 billion/year goal by 2020, providing additional adaptation funds to balance adaptation and mitigation;
 - Reaffirm and scale up financial support to the Green Climate Fund (GCF) for its replenishment, as well as other multilateral mechanisms, such as the Global Risk Finance Facility (GriF);
 - Ensure full transparency and accountability in markets and global finance, by requiring disclosure of all financial flows to carbon-intensive companies' contracts and recipients, and full disclosure of climate risks through implementation of Task Force on Climate-related Financial Disclosures (TCFD) recommendations.
- Attend to the most vulnerable: Climate change represents an existential threat to some communities and countries, particularly small island states, and other vulnerable regions threatening their

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traditional livelihoods, well-being, and cultures. The current Health Crisis is proof of that.

- We call on the G20 leadership to take the lead in mobilizing climate change migration displacement finance from a wide variety of sources, instruments and channels, noting the significant role of public funds
- We also call on the G20 leadership to note there are significant information gaps in understanding the impacts of climate change on migration in all regions and address them.
 Particular research needs to include: the integration of climate change and migration policy; costs of climate change related migration; genderrelated implications of voluntary and forced climate change-related migration; and the role of remittances in adaptive capacity
- Ensuring that climate action is continued and targets are not undermined as a result of COVID-19 disruption

2. Energy

In light of the different views and challenges facing the energy sector and market, and to ensure that energy solutions realize Sustainable Development, we expect G20 countries to:

- Accelerate just Energy Transition to clean, sustainable, environmentally-sound, and decentralized energy system,
- Develop policies and regulatory frameworks that are more inclusive for the interconnected activities of energy systems.
- Commit to ensuring energy policies are aligned with ambitious long-term strategies. This should include defining decarbonization options and technologies; outlining a decarbonization pathway in

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line with 1.5, for a country's energy mix to evolve within; introducing renewable and clean energies to the mix; and enhancing efficiencies throughout energy systems.

- Enhance energy efficiency and progressively phase-out fossil-fuel subsidies, while preventing adverse impact on the poorest, as agreed in Pittsburgh in 2009.
- Commit to realizing affordable and clean energy access to everyone.
- Ensuring that energy transition is socially conscious which secures the future and livelihoods of workers and their communities.
- Developing contingency plans for communities that may potentially suffer from energy shifts in energy markets.

3. Biodiversity, Land, and Ocean

Desertification and land degradation are global issues due to deforestation, improper agriculture and human activities. Hence, we call for the following:

- Deliver on international agreements and objectives to protect biodiversity, by elevating the protection and restoration of Earth's high integrity, relatively stable carbon-rich ecosystems, and preventing further fragmentation and damage.
- Ensuring long-range planning and collaborative governance by reducing unnecessary land use and brown-fields redevelopment.
- Ensure biodiversity is enhanced through appropriate management of areas under agriculture, aquaculture and forestry, and hold polluting companies accountable for land degradation and mismanagement.
- Develop and implement a rapid transition plan from current destructive land use towards sustainable and climate smart agriculture, recognizing the invaluable role of indigenous and local knowledge.
- Encourage a virtuous cycle in which consumption and environmental

behavior is aligned with food security policies, such as ecosystems protection, landscape restoration, food waste reduction; protecting and restoring ecosystems is critical to deliver a sustainable food future for all.

Wild Animal Trade: The COVID-19 outbreak is believed to have originated and transmitted to humans because of the actions of people at wildlife and wet markets. In addition to the consumption of wild animals for food, the global commercial trade in wild animals is fueled by growing consumer demands for exotic pets, trophy or luxury products made from wild animals, the demand for traditional medicines, and the use of wild animals for entertainment, particularly by the international tourist trade. It causes mass suffering to wildlife, can threaten whole ecosystems and wildlife habitats, and threatens human health. The illegal global trade in wild animals is unsustainable and will lead to extinction of species and loss in biodiversity. The destruction of natural habitat for the expansion of road networks and the development of agricultural land has facilitated the spread of Nipah virus, West Nile virus, influenza A H5N1, monkeypox, SARS, HIV, Ebola and other novel pathogens throughout the world. The G20 has an important role to help mitigate this severe impact on natural resources, thus we call on the G20 to:

- Make a collective commitment to end the international illegal trade in wild animals and wild animal products, to prevent further biodiversity loss.
- Ask global institutions and bodies to put in place mechanisms to develop, facilitate and implement conservation initiatives that promote resilient lifestyles and responsible governance that promotes preservation in the long term.
- Call for G20 countries to establish and enforce domestic bans on illegal trade of wildlife.



The impact of people on **Ocean** ecosystems is substantial, strong measures and actions must be taken to preserve oceans. And in reflection to SDG 14, We call the G20 to:

- Establish measures to protect and restore marine resources.
- Address the issue and impacts of ocean acidification
- Prevent and significantly reduce marine pollution of all kinds by 2025
- Reduce overfishing by reducing illegal, unreported and unregulated fishing to protect and restore fish stocks.

We support the vision for development of scientific knowledge, building and infrastructure and fostering relationships for a sustainable and healthy **Ocean**.

As espoused per the #OceanDecade UN Decade of Ocean Science for Sustainable Development, We call on the G20 leadership to support the #OceanDecade initiative

4. Sustainability of Resources, Cities, and Communities

We acknowledge the importance of realizing the United Nations SDGs to develop **Sustainable Cities and Communities** to ensure a resilient and sustainable future, Thus, we call for:

- Undertaking national and cross-regional urbanization planning to balance economic growth across a range of city sizes and to preserve high-value agricultural land and ecosystem services.
- Developing zero-slum cities through landuse planning that prevents slum formation and rehabilitating existing slums in resource-efficient, disaster-resistant, multistorey buildings.
- Promoting compact, mixed-use, accessible and inclusive cities through regional and city planning in land-use planning;
- Promoting energy-efficient, and resilient buildings Clean water, Resources (reduce, reuse, recycle and remove);

- Enabling resource efficiency at the systems level across the city through innovative and effective exchanges of "waste" energy and materials.
- Transportation/ infrastructure (sustainable mobility of public transport, car-sharing, walking and cycling) and engagement of quality of life.
- Raising awareness and launching innovative initiatives that utilizes mass- thinking.
- Embedding environmental and sustainability education in educational systems.

We acknowledge the importance of **Responsible Consumption and Production** due to its great impact on our ecosystem's stability. Thus, we call for:

- Urban metabolisms must shift from 'linear' to 'circular' and monitored to assist strategic planning at local government level (input vs. outputs)
- Commit to green circular economy principles, methodologies and applications. Adopted as local governing, business opportunities and community engagement.
- Assign a new governance model (contextually appropriate balance between economic, social, technological and sustainable development.)
- Cooperate with low income countries in supply chain and resources efficiency, including investment in human capital and CSOs capacity building.
- Higher Levels Government must support city-level innovation for resource efficiency (overcome regulatory barriers and access funding for SDGs innovation.)
- Adopt best practice methodologies/ digitalization toolbox: Energy, Water, Connectivity, Resources and Human Experience) Data collection, Facts checks and Documentation.
- Reworking the supply chain of general goods to serve multiple streams instead of a singular product to increase the efficiency on resources and reduce consumption.





5. Sustainable Management

An important factor to achieve sustainability is through developing an effective framework of overall Sustainable Management (SM), which incorporates environmental, social, and economic factors to all management practices. As such, some of many items of SM that we call for are:

- Developing awareness programs for businesses and industries which involve aspects of sustainable practices and operations.
- Developing a framework for incentivizing businesses and industries which prioritize those who are implementing sustainable practices and operations for bids and projects after passing technical and financial requirements.
- Developing a process that allows the emergence of innovative solutions to mitigate and resolve the impact on climate and environmental issues.

In the light of COVID-19, we call on the G20 countries to ensure that Economic Recovery Packages are sustainable, environmentally-sound, climate resilient, and socially conscious.



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3



Digital Economy

<u>Highlights</u>

We call for an important paradigm shift on how the Digital Economy is viewed among G20 leaders. The Digital Economy must be considered in the context of human rights, individual and societal empowerment and wellbeing, extending beyond the current agenda of productivity, trade, and economic growth of nations through rapid technology innovation.

G20 countries need to close the multiple gaps that characterize the digital economy, namely the gender divide, gaps between technology and humans, between industrialized and developing countries, between cities and rural areas, and across generations.

G20 must commit to a human-centered digital economy agenda in cyber safety, digital skills, ethical technology, and measurement of digital economy in alignment with the SDGs.

The G20 DETF should be developed into a Digital Economy Working Group that works with the C20 side-by-side. Civil society will support the G20 Digital Economy agenda by prioritizing human rights, ethics, human-centrism, environmental concerns, building citizens' trust and implementing best practices.

Digital Economy

Section 1: G20 Commitments, Principles, and Priorities

Building on the agreements made during the G20 presidencies of China and Germany, the Argentinian presidency met in order to strengthen the digital agenda in Salta during 2018. The following seven principles were established in order to allow ICT to continue to drive sustainable growth: Bridging the Gender Divide, Measuring the Digital Economy, Accelerating Digital Infrastructure for Development, Emerging Digital Technologies, Entrepreneurs & MSMEs in a Digital Context, The Future of Work, and Consumer Protection. The 2019 Japanese presidency continued with these commitments and consistently emphasized the Digital Economy during their summit and agenda. The focus on Digital Economy continues for the 2020 Saudi presidency with the following five priorities: Trustworthy Artificial Intelligence, Smart Cities, Cyber Resilience in Global Economic Systems, Data Flows, and Measurement of the Digital Economy.

Section 2: Challenges – COVID-19 Pandemic and Digitization

The current COVID-19 pandemic and associated lock-down and social distancing measures are pushing almost everyone in global society, including governments, businesses, and individuals, to fasttrack entry into the Digital Economy. However, such a rushed digitization generates concerns and public distrust related to digital surveillance, increasing job loss due to automation, privacy and data ownership issues, cyber-security and safety, monetization schemes based on cognitive deceit, and other unforeseen societal consequences.



Section 3: Policy Proposals

The Digital Economy must be considered in the context of individual and societal empowerment and well-being, extending beyond the current agenda of productivity and economic growth of nations through technology innovation. This represents a necessary paradigm shift. The Digital Economy is about people and is intrinsically rooted in individual lives in its core of working mechanisms, development, and social implications. For instance, while Alexa listens to a private family conversation in a home living room, YouTube educates children instead of school teachers, and Siri views employees' confidential emails, this data become the fuel to drive AI R&D. As described in the quote, "data is the new oil", personal data have become the most important commodity in the Digital Economy.

Thus, the C20 DEWG welcomes the G20 Saudi Presidency priorities of emphasizing "human-centered", "ethical", and "trustworthy" technology. We further stress the importance of the core principles of equity, participation, and inclusiveness, which have already been seeded in the G20 Digital Economy discussion over the past few years. We recommend that in their deliberations and resolutions. the current G20 presidency implement these core principles. They will guide the mission to close the multiple gaps that characterize the digital economy, namely between technology and humans, between industrialized and developing countries, between cities and rural areas, between generations, and between genders. This C20 DEWG policy draft includes actionable policy recommendations that fall under these core principles with the following four themes: Cyber Resilience 2.0, Digital Skills for Future Readiness, Ethical Technology, and Measurement of Digital Economy in alignment with the UN SDGs.

3.1 Cyber Resilience 2.0

Related G20 Priorities:

Cyber Resilience in Global Economic Systems

Gap

Currently, G20 "Cyber Resilience" is narrowly defined in relation to cybersecurity and the ability of society to withstand cyber-attacks, IT issues, and technological change. This definition needs to be widened to encompass individual and organizational resilience against cyberthreats, cyber-risks, and other negative side effects. More than half of cyber-security incidents affecting companies are humanmade mischievous or malicious acts. Moreover, 60% of 8-12-year-old children have already been exposed to cyber-risks such as cyber-bullying, gaming disorder, fake news, unwanted sexual contact/ exploitation, online grooming, and many others.

A. Promote civic use of technology by the workforce and citizens:

- Enhance the digital citizenship capabilities of workers and more broadly citizens, and civil society organizations.
- Create a regulatory task force to build a monitoring and ethical enforcement architecture that can curtail the spread of abuse in digital platforms and networks.
- Concerning the G20 priority of bridging the Gender Divide, cyber-violence towards women must be urgently addressed.



B. Enhance cyber safety for children:

- Coordinate global efforts to enhance children's online safety and to help build related industrial practices and national policies, legislation, and regulatory frameworks through systematic monitoring of the Child Online Safety Index (Section 4, Case Study 1).
- Implement digital citizenship in schools as part of mandatory national curricula.⁴

3.2 Digital Skills for Future Readiness

Related G20 Priorities:

All 5 priorities

Gap

While AI technology and automation advance quickly, the required human empowerments, for example, skilling/ re-skilling for newly created jobs, have been lagging behind. This speed gap is increasing inequality, slowing down productivity and agility, and expanding human-made cyber-security and safety issues. Society cannot afford to repair the damage after technology has brought havoc on people's jobs and livelihoods. Thus, empowerment of the "Digital Skills" of individuals from children to the workforce. and broadly to citizens, is urgently required at the global level given the global nature of digital skills and job mobility in the Digital Economy. Within this context, "Digital Skills" are defined as a comprehensive set of skills required for the Digital Economy, using an endorsed global standards framework for digital literacy, skills, and readiness. It not only includes fundamental digital literacies such as global and digital citizenship that foster the core competencies of modern, resilient, and multi-skilled participants in the digital working environment, but also operational and advanced ICT skills such as computational thinking and AI/data literacies.

C. Secure strategic global investment in digital skills:

 Develop focused global investment and financing efforts related to digital skills education/skilling in an inclusive manner across regions, sectors, genders, and age groups.

D. Coordinate digital skills development using global standards:

- Develop global/national plans that enable coordinated improvement, monitoring, and reporting of digital skills on a global/national scale (Section 4, Case Studies 2 & 3).
- Promote multi-stakeholder collaborations to enable coordinated training, assessment, and certification using e-learning and new Al and/or blockchain-based technologies.
- In line with Bridging the Gender Divide and Entrepreneurs & MSMEs in a Digital Context, the G20 should commit to a focus on digital skills education and skilling for women and MSMEs, particularly in the Global South, whose economies depend heavily on manufacturing, and other industries and services that could be impacted by automation and Al.

4. the C20 Education Working Group policy paper outlines further imperatives for Digitization in Education



3.3 Ethical Technology

Related G20 Priorities:

Trustworthy Artificial Intelligence, Smart Cities, Data Flows

Gap

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In situations when technologies are promoted and deployed as a solution to challenges such as the ones we are currently experiencing in the COVID-19 pandemic, without precautionary measures in place, society has to deal with adverse and unforeseen consequences. Ethical Technology takes a "human-centered' approach in advance whereby governments and industries proactively put in place mechanisms for anticipatory, participatory, and transparent evaluation of new and emerging technologies, including digital technologies, before they are deployed as solutions to societal challenges.

E. Develop a global framework for privacy and data protection:

Context: Notwithstanding that the 'Data Revolution' has been on the G20 table since 2017, the benefits have largely been concentrated in large transnational private companies in a limited number of "superpower" countries, establishing a highly asymmetric oligopoly in the digital economy. Global data governance and data flow mechanisms are fragmented and still not compatible, while depending on the laws of each nation state, and furthermore neither people-oriented nor democratically managed.

- Develop a global framework of common or compatible rules and principles in global data governance and mechanisms of data flow as well as data protection and privacy.
- Promote citizen awareness of data protection and privacy as human rights as well as the property rights of individuals through education and campaigns.

Establish a regulatory framework to curtail malpractice within global information and communication networks.

F. Develop a global consensus and restrictions on the use of digital surveillance technology:

Context: With COVID-19, unusual data surveillance technology that is normally used for wars and terrorist attacks has been deployed in some countries to track COVID-19 patients. The emergence of new patterns of surveillance by governments may further reduce the already shrinking democratic space and civic liberties.

 Build a transparent and resilient regulatory framework to prevent abuse by governments and corporations over the privacy of people as well as public and private institutions.

G. Develop inclusive investment principles:

Context: Fast digitalization may increase inequalities across and within countries, expanding the inequality between the Global North and Global South, as well as among deprived communities in the periphery of society and the well-to-do urban and rural elites.

Deliberate investment focusing on youth and women-led SMEs in the Global South can support inclusive digital economy growth (Section 4, Case Study 4).

H. Develop a global multi-stakeholder mechanism for ethical technology

Adopt multi-stakeholder/cross-sectoral mechanisms for sharing information and societal dialogue related to new technology adoption that enables public access to information and considers public views as inputs to decision-making.



3.4 Measurement of Digital Economy in Alignment with the UN SDGs

Related G20 Priorities:

Measurement of the Digital Economy

Gap

The current G20 measurement for digital economy is strong in terms of its application to hard infrastructures, levels of internet usage, and resulting economic opportunity. This measurement approach can be effectively expanded in order to address the 2030 UN Sustainable Development Goals (SDGs) priorities alongside C20 themes and policy recommendations. This includes supplementary measures concerning the empowerment and well-being of individuals, as well as soft infrastructures to support Cyber-Resilience 2.0 and Ethical Technology.

I. Include additional elements in G20 Measurement of Digital Economy:

- Infrastructure Pillar: Whereas infrastructure had previously been understood through hard elements such as broadband prevalence and capability, this should be supplemented with social elements such as legal frameworks and industry-civic engagement for child online safety, cyber-security, digital inclusiveness, and ethical data standards.
- Empowering Society Pillar: This should be supplemented with global and digital citizenship at both the group and individual levels. These measures captures not only the empowerment of individuals and collectives to sustainably improve their position in the world, but also capture the reductions in inequality and increases in social justice.
- Innovation and Technology Adaption Pillar: This pillar should be supplemented by safe, responsible, and ethical use of technology, and digital mental health of individuals and organizations.

A more detailed description of the proposed indicators can be found in the "C20 response to G20 Roadmap Towards a Common Framework of Measuring Digital Economy"⁶, while Section 4, Case Study 1 can help G20 leaders visualize the best practices of a global index for child online safety and digital citizenship.

Section 4: Case Studies and Recommendation

Given the growing importance of the Digital Economy, we recommend that the G20 DETF should be further developed into the Digital Economy Working Group that the C20 DEWG will collaborate with and support side-by-side. Civil societies will support the G20 Digital Economy agenda by building citizens' trust and implementing best practices and global benchmarks within the agreed principles.

Case Study 1:

Cyber Online Safety Index (COSI) – Real Time Measure for Child Online Safety and Digital Citizenship:

The DQ Institute has built a global online platform to measure and visualize child online safety and digital citizenship which can support measurement of the Digital Economy. COSI tracks in real time progress at the national level to ensure the appropriate conditions for reducing children's exposure to risks, while improving digital skills, support networks, and social infrastructure backed by <u>international research</u> based on the DQ (Digital Intelligence) framework encompassing global standards for digital literacy, skills, and readiness.



6. G20 (2020) Towards a G20 common Framework for Measuring the Digital Economy. Draft report for the G20 Digital Economy Task Force, 12- April 2020



Case Study 2: Global digital citizenship movement:

#DQEveryChild is a strategic global education movement to empower 812- year old's with comprehensive digital citizenship skills from the start of their digital lives. The movement was conducted by an international coalition that includes 100 organizations including the World Economic Forum, Singtel, Twitter, and many others. It has so far reached more than 1 million children in more than 80 countries and helped development of digital literacy curriculum. Its accumulated data has enabled the establishment of a global databank and the Child Online Safety Index.

Case Study 5: The RISE Anti-Bullying Initiative:

An international initiative that created the first global anti-bullying program, The Positive Curriculum, to be accepted by schools and NGOs globally. The RISE Anti-Bullying Initiative teaches students (K-12), teachers, parents, and stakeholders about emotional and social learning tools to become tolerant and peaceful citizens in the online and offline worlds, and how victims of online and offline bullying can advocate for themselves.

Case Study 3: Workforce digital skills mapping:

Key digital skills frameworks such as European Commission's DigComp and DQ Institute's DQ Framework develop digital skills mapping for the workforce that involves the collaborative efforts to map industry needs alongside the upskilling of workforce such as self-assessment, the creation of digital skills online learning platforms, and certification.

Case Study 6: Digital Economy and Climate Change:

A new report by <u>EIT Climate-KIC</u> makes the case to utilize technology to address the interrelated challenges of climate change and sustainable development.

Case Study 4:

Country-level STI Accelerator in Cameroon:

Youth Empowerment through Science and Technology Initiative (YEST-IN) is a country-level accelerator based in Cameroon. The organization promotes digital skills, volunteerism, and entrepreneurship among youth in the nation. YEST-IN is a positive example of how an NGO can contribute to growing the digital economy.

Case Study 7: Using data to challenge corrupt institutions:

<u>CoST Honduras</u> promoted the disclosure of data on the Honduras Road Fund and exposed what appeared to be corrupt practice. The evidence was used to close the Road Fund and replace it with a more accountable institution.







Education

<u>Highlights</u>

The C20 welcomes the return of the G20 Education Working Group this year, and calls for education to be recognized, respected, protected and fulfilled as a human right, and reaffirm past commitments to uphold and advance SDG4. C20 recommendations are built around four policy priority areas:

1.

Quality education for empowered youth and sustainable development



- Guarantee access to education for everyone through developing inclusive education policies
- Increase the supply of qualified teachers and educators
- Acknowledge youth as agents of change; facilitate their participation in defining the knowledge and skills they wish to acquire and the opportunities they want to access





- Adopt global standards, framework and implementation strategy to enable coordinated improvement, monitoring and reporting of Digital Skills on a national & alobal scale.
- Ensure the inclusion of Online Protection Tools for ICT service providers and in child online protection legal frameworks

3

Global citizens in the age of populism

- Structurally include Global Citizenship Education (GCED) and Education for Sustainable Development (ESD) as foundational competencies
- Ensure that GCED/ESD policies, curriculum, and pedagogies incorporate and emphasize the value of local and indigenous knowledge and cultures to protect languages and cultures

Building the right foundation



- Put in place inclusive policies and legislation that guarantee the provision of at least one year of free and compulsory quality pre-primary Early Childhood Care and Education (ECCE)
- Integrate health, nutrition, hygiene, early identification and intervention of children with disabilities
- Prioritize protection and family services, and policies including mandatory reporting requirements to protect vulnerable infants and toddlers from violence.
- Include Child Protection training and competencies for educators.







Education

G20 Commitments

"We reaffirm our commitment to invest in human capital and promote inclusive and equitable quality education for all as emphasized in the G20 Initiative on Human Capital Investment for Sustainable Development. We commit to continue support for girls' and women's education and training, including providing quality primary and secondary education, improved access to STEM (Science, Technology, Engineering and Mathematics) education and raising awareness toward eliminating gender stereotypes."

> G20 Leaders' Declaration 2019

We, civil society, call for education to be recognized, respected, protected and fulfilled as a human right, and reaffirm past commitments to uphold and advance the SDG4 and corresponding sub-goals.

Challenges

Education is both intrinsically valuable and a unique policy platform for pursuing social justice and human dignity as social outcomes. The C20's commitment to educational justice remains undimmed; education must be recognized as a fundamental human right. Global leaders must enact solutions that cross political, religious and ethnic differences and hostilities, so that all young people have access to quality education.

While some progress has been made, UN findings testify to a global crisis in education – one rooted in a lack of political resolve and the commensurate inadequate funding – leaving us far off track from achieving SDG 4 2030 Agenda (Brussels Declaration, 2018). Enduring trends indicated that 220 million youth would be excluded from school in 2030 (UNESCO 2020). The alarming reality of 2020 is that these numbers are significantly amplified as a result of the COVID-19 pandemic; more than 91% of the world's student population – 1.6 billion children and youth – is affected by school closures, in 165 countries (UN SDG4, April 2020). This disruption to learning and lives, especially the most vulnerable, has never before been experienced, with access to education being restricted to all but a limited, privileged few.

Estimates indicate that there are 757 million adults, including 115 million youth, who cannot read or write a simple sentence, two-thirds of whom are women: a crisis in itself (UNESCO, 2017). Literacy and numeracy are key to achieving the SDG Agenda. These are also precisely the skills – alongside digital literacy & global citizenship competencies – required to tackle the youth unemployment crisis (Brussels Declaration, 2018). Global youth unemployment is three times higher than the adult rate (ILO, 2018). Education and employment sectors must work in partnership to develop public policies guaranteeing the right to education is strategically coordinated with future skills for future jobs. These policy priorities are outlined in the

Crisis, both immediate and longer-term, must be seized upon as an impetus for proactive intervention at all levels to make education systems worldwide more resilient. These interventions need to be taken in a coherent way respecting a global approach, and the universal values framed in the global citizenship education principles (SDG 4.7).



Recommendations & Foundational Commitments

It is the responsibility of the G20 member countries to demonstrate in concrete action a commitment to address these challenges. The C20 EWG developed the following recommendations designed to reverse the education crisis.

Inclusive policies & practice:

Inclusive and integrated responses across priority policy areas to ensure rehabilitation, re-integration and to meet the diverse educational needs of all young people. With special attention to the vulnerable and marginalized groups including girls and women, people with disabilities, indigenous peoples, migrant populations, refugees, nomads, children facing the risk of child labour, people with mental health issues, LGBTQI+ people, rural and remote communities, and those living in crisis caused by conflicts and natural disasters. Supported by a commitment to continuously re-evaluate groups being, or at risk of being, excluded by legislation, policy or practice.

Multilateral action:

Instigate reform to address limited international cooperation in education. Reinforced and synergetic cooperation between different levels and actors, including multilateral coordination between governments, Intergovernmental Organizations (IGO) and Non-Governmental Organizations (NGO), with a stronger position created for Civil Society to influence policy and action.

Financing education for sustainable development:

National budget spending and ODA:

Renewed government commitment to national expenditure on education as outlined in the Incheon Declaration (2015). "Allocating efficiently at least

4 - 6% of Gross Domestic Product and/or at least 15 - 20% of total public expenditure to education», as well as « [...] the fulfilment of all commitments related to official development assistance (ODA), including the commitments by many developed countries to achieve the target of 0.7 per cent of gross national product (GNP) for ODA to developing countries. We urge all G20 countries to make additional concrete efforts towards the target of 0.7 per cent of GNP for ODA to developing countries.»

Increasing multilateral funding: Prioritise increased education financing through bilateral and multilateral cooperation through allocating 20% of national budgets to education - including support of the Global Partnership for Education and Education Cannot Wait fund (The Global Partnership for Education, 2019). Strengthen dialogue between innovative financing providers, donors and beneficiary States and communities, and private sector resource mobilization. Ensure adequate ongoing and

as well as short-term crisis funding. Stimulus packages for education:

preventative funding for areas of deficit

Global leaders should include education as a priority in stimulus packages both during and post pandemic to ensure continuity and reestablishment of access to education for all, with special attention to the marginalized and most vulnerable.

Regulating private actors in education and ending commercialisation of education: Prioritise investments in public education and regulate private education to guarantee educational justice. Guarantee 12 years of free, safe and quality pre-primary, primary and secondary education.





Policy Priority Areas

1: Quality education for empowered youth and sustainable development

Access & completion: Guarantee access to education for all. Develop inclusive education policies that meet the human rights and educational needs of all, with special attention to marginalized youth. Establish mechanisms for monitoring enrolment and attendance, and design pathways to ensure education systems provide multiple avenues for school completion that take into account young peoples' social, economic, political, religious and environmental circumstances.

Quality teaching – Quality learning: Increase the supply of qualified teachers and educators through improving teacher preparation, recruitment, professional development and working conditions. Develop inclusive recruitment policies and systems to ensure diversity of teaching populations to guarantee respect for diversity of contexts, abilities and languages, including female teacher recruitment in contexts where cultural and social barriers hinder girls' participation in education.

Self-determination: Foster dignity and agency at the local level through ensuring community engagement, bottom-up dialogue and decision making, and liaising directly with marginalised groups to ensure they are granted self-determination in terms of curriculum and education provision. Acknowledge youth as agents of change; facilitate their participation in defining the knowledge and skills they wish to acquire and the opportunities they want to access.

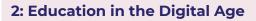
Family engagement: Strengthen family engagement in education through establishing mechanisms that empower families as stakeholders in education. Provide inschool and outreach initiatives that improve families' commitment, confidence and skills in supporting their children's participation, completion and achievements in education. Develop policies that include economic support so that families are able to prioritize education for their children (UNHCR, 2018).

Preparedness and response to crisis: Ensure continuity of quality educational opportunities throughout contexts of crisis caused by conflicts, health and natural disasters. Develop monitoring mechanisms and educational policies & procedures that respond to and ensure the continuity of education, including supporting the re-integration of displaced youth into the formal education system (World Migration Report 2020, 2019).

Education for resilience: Incorporation and certification of social & emotional learning, life skills and well-being into mainstream curricula, across all levels and pathways of education provision. Develop psycho-social support programs for all, and rehabilitation programs with special attention to marginalized young people who have been exploited, indigenous peoples, refugees, displaced and migrant populations (Global Education Monitoring Report 2019, 2018)

Lifelong learning: Eliminate barriers to access and completion of higher education and TVET, including expanding access to higher education for those from lower income backgrounds. Strengthen regional connectivity and broaden cross-border transfer of credits, transcripts, qualifications and recognition of equivalence of skills. Improve access and provide incentives to encourage marginalised populations and adolescent girls into the fields of STEM.

Infrastructure and facilities: Ensure access to safe and dignified clean water, sanitation and hygiene information, infrastructure, and resources in schools, such as private and gendersafe latrines with handwashing and waste management resources, as well as knowledge and resources for proper menstrual health.



Digital literacy & intelligence: Adopt global standards, framework and implementation strategy to enable coordinated improvement, monitoring and reporting of Digital Skills on a national & global scale. Utilize digital intelligence global standards framework for digital literacy, skills, readiness and digital citizenship education. Such as the Coalition for Digital Intelligence comprising the OECD, IEEE and DQ Institute in association with the World Economic Forum Digital Intelligence (DQ) framework. In response to the speed gap between technology and education, it is critical for G20 to develop a global plan to coordinate digital skills initiatives to enhance the level of digital skills through training, assessment, and certification using the suggested global standards.

Global investment in new skills for digital economy: Focused investment toward building skills required for digital economy must be made in an inclusive manner across regions, sectors, genders, and age groups. It is necessary that the discourses of Global Citizenship Education and Digital Citizenship Education converge in a way that serves the goal of fostering the competencies of the modern resilient and multi-skilled worker. These basic skills as well as coding and other ICT skills should be core aspects of formal education . In line with Bridging the Gender Divide and Entrepreneurs & MSMEs in a Digital Context, the G20 should commit to a focus on digital skills learning for women and MSMEs.

Inclusive e-learning: Coordinate governments and work in coalition with IGOs, NGOs, and ICT and EdTech providers on short and long-term investment in the expansion of ICT infrastructure and technologies to ensure access for all youth to ICT enabled education. to be accessible across borders in terms of content and

access to skilled online teachers. Commit to providing access to quality online education to children in underserved communities to address digital justice and reduce the digital divide affecting women, young people in low income families and marginalized groups. Promote state regulation of the digital private sector during times of crisis in order to achieve optimal educational outcomes. Regulate the accreditation of online learning providers and programs to ensure quality and to serve the employability needs of young people entrusted to its pedagogy.

Youth-centred cyber safety: Ensure the inclusion of Online Protection Tools in ICT service providers and child online protection legal framework that allow for monitoring and control of young people's access to inappropriate materials and content and enhance safety measures from internet threats, cyber-bullying and predators (Ronchi, E. and L. Robinson, 2019). Support the development of nation-level Child Online Safety policies and practices including training parents, educators and children, and monitor the state of national Child Online Safety Index (COSI). Provide programs for families regarding utilization of technology in education and child protection against cyber risks and digital addiction.

3: Global citizens in the age of populism

Internationalization of education: Embed **Global Citizenship Education Development** (GCED) and Education for Sustainable Development (ESD) in formal, informal and non-formal education settings, to equip young people with the tangible competencies of a modern global worker (ILO, 2018), and the knowledge, skills, values and attitudes needed to promote peace, justice, human rights, cultural diversity and social cohesion.



2020 Civil Society 20 **Policy Pack**



Structural inclusion of GCE: GCED/ESD

to be structurally included as foundational competencies as a cross-curricular priority across all learning areas. Develop policies to ensure GCED/ESD is embedded in broader educational cultures and mainstreamed at all levels in formal, informal and non-formal education. Ensure evaluations of GCED/ESD interventions are consistent with values of GCED/ESD itself, with monitoring processes involving multiple stakeholders.

GCE and digital pedagogies: Reform teacher training & competency frameworks to reflect contemporary methods that promote analyzing, literacy and numeracy. Build the capabilities of teachers to include critical, GCE and digital eLearning pedagogies, in a learner-centered approach were young people are empowered learners and as stakeholders for sustainable societies and encouraged to think of themselves as individuals, as members of collectives and as mediated by institutions in their interactions with the world. Teachers to foster digital agency, critical construction of knowledge and self-learning design, to better equip young people to make sense of the vast information flow available digitally and discern real vs fake information, beneficial vs harmful behaviour (OECD, 2018).

Local to global: Safeguard that GCED/ ESD policies, curriculum and pedagogies incorporate and emphasize the value of local and indigenous knowledge and cultures so as not to erode indigenous languages and cultures. Promote participatory programmes for learners and educators to engage in their communities and society, actively seeking partnerships and programs across diverse geographical locations and cultures. Ensure programs balance national goals with global participation and understandings.

4: Building the right foundation

Early Childhood Care and Education:

Guarantee the right to child wellbeing, care and education, through the design and implementation of public policies that promote inclusive ECCE for all children, with special attention to those who are marginalised, to ensure children's long-term development, learning and health. Ensuring linkages from ECCE to fostering children's readiness for school and lifelong learning experiences.

Universal access: Put in place integrated and inclusive policies and legislation that guarantee the provision of at least one year of free and compulsory quality pre-primary ECCE. Prioritize public expenditure for the expansion and availability of ECCE for all including domestic and institution provision, and include economic support so that families are able to prioritize ECCE. Design measures to guarantee access to educational completion and entry or return to the workforce for mothers.

Global guidelines: Utilize the Global Guidelines for Early Childhood Education and Care in the 21st Century (Childhood Education International), as framework for nations' development of inclusive, rightsbased approach to policies, legislation & strategic action plans governing this area. Inclusive of:

- A holistic and developmentally appropriate, play and stimulus-based curriculum, including cognitive, social, emotional, moral, creative, physical and life skills to ensure ECCE is adaptive to the diverse educational needs of infants and children.
- Provision of adequate equipment, accessible learning materials and products, and reasonable accommodations to include children with special needs.
- Standards & accreditation for the professionalization of ECCE personnel.



- ◀ Utilisation of digital technologies in partnership with and including support for families.
- Provide educative programs to deliver information and guidance regarding ECCE to families and care circles.

Multi-sector coordinated approach & family support: Integrate health, nutrition, hygiene, early identification and intervention of children with disabilities. Provide educative programs to ensure families are provided with extensive information and guidance regarding ECCE, including the significant importance of brain development at early stages particularly birth to 4 years.

Protective measures of care: Prioritize protection and family services, and policies including mandatory reporting requirements to protect vulnerable infants and toddlers from violence. Include Child Protection training and competencies for educators.

Supporting information:

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5



Employment & Social Protection

<u>Highlights</u>

COVID-19 is having devastating impacts on employment, household income, wages, and resulting in the inadequacy of social protection programs. G20 needs to respond swiftly to the impact by immediately expanding social protection coverage, income support, unemployment benefits, and guaranteeing safe working environments.



Women, youth, and workers in the informal economy are particularly at risk of being left behind in labor markets. G20 policies should include family-friendly employment practices, flexible working hours, and paid paternal leave.

Members of the G20 must report back their progress in eliminating the gender employment gap 25% by 2025, with an emphasis on providing decent iobs.





G20 should take proactive measures to abolish modern slavery, human trafficking, child labour and forced labour by promoting transparency in global supply chains, including by trade and public procurement policies, and by promoting due diligence of human rights in business.



Employment & Social Protection

G20 Commitments



ongoing job market demands. The ministers also focused on youth, and encouraged G20 countries to create initiatives specially for vulnerable youth that outside employment, education, or training (NEET). In addition, the topic of care services came as priority; children and dependents of employees should gain access to affordable and dependable care services."

Joint Declaration between the Ministers of Education and Labor, 2018



"We will boost job creation and flexible work arrangements, seek to raise quality of employment and enhance employability of workers through lifelong learning."

G20 Osaka Leaders' Declaration, 2019

"We remain committed to promote decent work and reaffirm our commitment to take actions to eradicate child labour, forced labour, human trafficking and modern slavery in the world of work, including through fostering sustainable global supply chains."

G20 Osaka Leaders' Declaration, 2019

"We are currently undertaking immediate and vigorous measures to support our economies; protect workers, businesses—especially micro-, small and medium-sized enterprises—and the sectors most affected; and shield the vulnerable through adequate social protection."

Extraordinary G20 Leaders' Summit Statement on COVID-19, 2020

Current Challenges Amplified by the COVID-19 Pandemic

The Pandemic and the ambiguous future of work:

The International Labour Organization estimates that more than 305 million jobs will be lost due to the pandemic. Out of those who will manage to keep their jobs, more are likely to be suffering from working poverty. While the leaders of the G20 committed to pumping \$5 trillion into the world's economy, many might be unable to access these benefits particularly those in the informal economy and irregular employment. Those working in the informal economy are also more likely to lose their income due to that lack of social safety nets to protect them, especially independent workers, self-employed, working part-time, impermanent workers, those with short-term contracts and in the digital gig economy.

According to The International Trade Union Confederation (ITUC), only a few of 15 G20 countries that were surveyed on the response to COVID-19 provided employment protection for workers in self-isolation and less countries provided paid sick leave.

As such we provide the following urgent recommendations to the G20:

Ensuring safe work environments for essential workers on the frontlines now, and for those returning to work as social distancing measures ease. Occupational Safety and Health (OSH) Authorities should give all workers the right to safe and healthy working conditions, free from all hazards and harm; including from COVID-19. Policies should specifically address protection from infectious



diseases in the workplace with expanded routine safety inspections on workplaces.

- Andating employers to establish workplace preventative measures to reduce risk for safe operations, including physical distancing, hand washing, respiratory etiquette, and potentially, temperature monitoring, in-line with the WHO technical guidance for workplaces.
- Ensuring safe and adequate housing and wellbeing for workers, especially domestic workers and immigrant workers, with immediate measures to reduce overcrowding, and guarantee decency and access to adequate and safe drinking water, sanitation and hygiene, as well as physical and mental wellbeing, maximum working hours, and mandatory days off.
- Accelerate recovery in employment and reduce the time lag between economic recovery and a recovery with decent work opportunities by working closely with the ILO in supporting the «Global Jobs Pact».
- Ensuring that governments and business are able to provide adequate paid sick leave, and universal health coverage.
- Expanding social protection coverage and adequacy of benefits by approving wider wage and income support for workers and households during the lockdown.
- Providing relief on workers' and households' mortgage, rent and debt.
- Protecting jobs by subsidizing at least 40% of wages for at-risk and hard-hit workers and sectors to avoid job losses and dismissals.
- Strict monitoring of dismissal cases and ensuring grief mechanisms are in place for dismissed worker.
- Maintaining the tripartite dialogue between government, employers and trade unions.
- Prioritizing debt cancellation and pauses for independent workers and SMEs.
- All stimulus packages and support should not exclude any social worker, the care economy, or workers in charities and non-profit organizations.

The education and skills gap and the changing nature of work:

Public policies guaranteeing the right to education must be strategically coordinated with the logistics of steering transition into the world of work. To that end we call for the following:

Education for future skills for future work

- Address high youth unemployment through joint public policy development emphasizing the role of formal, informal and non-formal education for preparing young people for future skills and future jobs (ILO, 2018). Inclusive of capabilities for new jobs covering both technical and Global Citizenship Education skills in the interest of fostering the competencies of a global worker (inclusive of respect for common rules, cultural sensitivity, and creative and critical competencies) (OECD, 2018).
- Ensure the alignment of education and training to genuine labor market needs through sharing of education and workforce data.
- Implement a system of incentives to businesses and enterprises to increase apprenticeship provision and young employment advocacy to enable transitions of learners from education into sustained skilled employment.
- Strengthen regional and global certification systems through expanding cross-border transfer of credits, transcripts, qualifications and recognition of equivalence of skills, with special attention to migrant populations.
- Formulate gender-responsive national education sector plans which are responsive to societal and workforce need.



Leaving No One behind in the World of Work:

The ILO expects hundreds of millions of jobs to be lost as a result of COVID-19, resulting in increasing numbers of unemployed laborers. Many of them are vulnerable workers to begin with. It is estimated that about 700 million people are living in extreme or moderate poverty despite having employment. Rates of poverty are expected to rise as a result of the surge in layouts.

A staggering 267 million young people (aged 15-24) are not in employment, education or training. Young people need to be able to pursue their full potential. Female NEET remain left behind, stereotypes and structural and normative barriers to female labor participations are needed to be addressed now more than ever.

There are also serious concerns around the G20 commitments to bridge female participation in the labor market, in the age of COVID-19. It is pivotal that all G20 employment policies are designed in a manner that takes into consideration G20 previous commitments to women empowerment in the labor market, most significantly the Brisbane Goal of 25by25.

The following recommendations will ensure that no one will be left behind in the world of work:

- We welcome this year's focus on the youth NEET population, and we ask that all G20 countries report on their NEET population annually. We encourage that G20 countries develop and monitor employment youth indicators, such as:
 - Youth Unemployment Rate

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- % of Enrolled Youth in Education
- % of Enrolled Youth in Training
- Youth economic participation rate
- Youth Income & Expenditure rates

Those indicators in addition to all labor market indicators need to be disaggregated in accordance with the UN Standards of Disaggregation, to include: Income, Age, Geographic location, Migration Status, Sex and Disability.

While the generation of behavioral insights on labor market is encouraged for evidence-based policy design, a right-based approach to eliminating all forms of violence, discrimination and inequalities in labor market should be prioritized.

We call on the G20 Employment Working Group to consider the behavioral drivers behind the increasing levels of the NEET globally, especially female NEET, including:

- Structural and social barriers
- Entitlement and discouragement
- Discrimination

Members of the G20 must report back on their progress in eliminating the gender employment gap 25% by 2025, with an emphasis on creating jobs.

Take proactive measures to abolish modern slavery, human trafficking, child labour and forced labour as promised by the G20 in the 2017 and 2018 Leaders' Declarations and the 2018 Labor and Employment Ministerial Declaration by promoting transparency in global supply chains, including by trade and public procurement policies, and by promoting due diligence of human rights in business.

Supporting Documents

- 1. COVID-19 and the world of work: Impact and policy responses, ILO: https://www.ilo.org/global/topics/ coronavirus/impacts-and-responses/lang--en/index.htm
- 2. Extraordinary G20 Leaders' Summit Statement on COVID-19, 2020
- 3. ITUC Global COVID-19 Survey, 2020: https://www.ituc-csi. org/ituc-global-covid-19-survey
- 4. UN Standards for Data Aggregation: https://unstats. un.org/sdgs/files/Overview%20of%20Standards%20 for%20Data%20Disaggregation





Gender

<u>Highlights</u>

There are at least 8 commitments made by the G20 Leaders in the past 5 years regarding the empowerment of women. We urge the G20 to resume the countdown to 2025 and roll out the steps towards achieving those commitments. As such, we provide the following recommendations to accelerate G20 delivery on promises to achieve economic justice for all women and LGBTQI people:



Develop and put into action National Implementation Plans to reduce the gender gap in labour market participation by 25 per cent by 2025, in accordance with the criteria included the policy brief and developed by civil society.



G20 Finance Ministers should apply genderresponsive analysis and mainstreaming in the G20 COVID-19 Action Plan, including prioritizing social spending on Gender-based Violence Prevention Infrastructure.



Health workers must be prioritized both in access to care and specific economic and social support.



Prioritize Sexual and Reproductive Rights Services (SRHR) in G20 responses to COVID-19. Women's ability to access those services will affect their ability to return to education or work, and will allow for a just recovery.



Institutionalise a gender mainstreaming strategy across the G20 agenda with appropriate accountability mechanisms, and establish an annual G20 Ministerial Meeting on Gender.



Gender

Context

The C20 acknowledges and commends G20 countries for their commitments aimed at achieving gender equality and securing the full economic empowerment of women.

Previous G20 Commitments:

"Reduce the gap in labour force participation rates between men and women by 25 per cent by 2025 (Brisbane goal) by boosting female participation, improving the quality of employment and enhancing gender equity"

Labor and Employment Ministerial Declaration, 2014

"G20 leaders renewed their commitment to monitoring the Brisbane goal in a transparent and sustained manner."

Labor and Employment Ministerial Declaration, 2017 "the G20 Anti-Corruption Working Group committed to deepen its understanding of the linkages between gender and corruption and discuss possible actions on how to include a gender dimension in anti-corruption programmes and policies"

G20 2019-2021 Anti-Corruption Action Plan

"G20 Ministers responsible for the digital economy presented a comprehensive list of recommended actions to bridge the gender digital divide"

G20 Digital Economy Ministerial Declaration 2018

"We will work towards reducing the disproportionately high number of women in informal employment, involuntary part-time work and low paying jobs, including through providing greater access to training and career pathways and by improving employment prospects for women in all forms of employment. We will also promote policies that help women and men reconcile work and family lives in a more equitable manner."

Labor and Employment Ministerial Declaration, 2017



"Leaders discussed long life learning, developing a workforce capable of meeting the ongoing job market demands. The ministers also focused on youth, and encouraged G20 countries to create initiatives specially for vulnerable youth that are outside employment, education, or training (NEET). In addition, the topic of care services came as priority; children and dependents of employees should gain access to affordable and dependable care services."

Joint Declaration between the Ministers of Education and Labor, 2018

"We will boost job creation and flexible work arrangements, seek to raise quality of employment and enhance employability of workers through lifelong learning."

G20 Osaka Leaders' Declaration, 2019

> "We remain committed to promote decent work and reaffirm our commitment to take actions to eradicate child labour, forced labour, human trafficking and modern slavery in the world of work, including through fostering sustainable global supply chains."

G20 Osaka Leaders' Declaration. 2019

"We are currently undertaking immediate and vigorous measures to support our economies; protect workers, businesses—especially micro-, small and medium-sized enterprises—and the sectors most affected; and shield the vulnerable through adequate social protection."

Joint Declaration between the Ministers of Education and Labor, 2018

C20 commends G20, under Argentina's presidency, for applying a gender mainstreaming strategy across the 2018 G20 Agenda. G20 have yet to make any commitments regarding the human rights or economic participation of LGBTQI¹ people, despite their disproportionate experience of discrimination and violence.





^{1.} Lesbian, gay, bisexual, trans, queer, questioning, intersex.



Challenges

Despite women's economic empowerment being identified as a priority for the G20 and other international forums, women's economic choices, income and control over assets continue to lag behind those of men. In their Global Gender Gap Report 2020, the World Economic Forum found it could take another 99.5 years until the economic gender gap is closed.²

There is both an ethical and economic imperative to achieving gender equality and fulfilling the human rights of women and girls. Gender equality sits at the heart of the Sustainable Development Goals (both as a goal in itself and as a key requirement for other Goals). G20 countries are also required to ensure gender equality under the Universal Declaration of Human Rights and international human rights law and standards to which they are bound.

Evidence shows that investment in women's rights and empowerment has a positive return, while the perpetuation of gender inequalities has significant social and economic costs for families, communities and society at large. The International Labour Organisation suggests that closing the gender gap in economic participation by 25 per cent by 2025 could increase global GDP by US\$5.3 trillion³. Studies also show that prevention of violence against women and protecting sexual and reproductive health and rights improves productivity and yields positive returns on investment.⁴

The C20 challenges G20 countries to tackle the root causes and structural barriers that inhibit economic justice for women and people who experience discrimination on the grounds of their real or perceived sexual orientation, gender identity, gender expression or sex characteristics. including harmful social, cultural and religious norms and practices related to gender and marginalised groups. These sit at the heart of the unequal distribution of unpaid care and work, the gender pay-gap, gender-based violence and harassment (including in the world of work), women's digital exclusion and other key barriers to achieving economic justice for women and LGBTQI people. Consequently, the UN Secretary General's High-Level Panel on Women's Economic Empowerment stated that "[c]hanging norms should be at the top of the 2030 Agenda to expand women's economic opportunities."5

In the context of the growing digital economy and changing nature of work, it is critical that women and LGBTQI people, in all their diversity, are at the centre of policy development. Women live an average of 5 years longer than men and are disproportionately affected by a lack of universal healthcare and social protection (especially pensions, where the cumulative lifetime burden of unpaid care and work often leaves older women without adequate income). Similarly, opportunities presented through the digital economy risk a lack of social protection (such as parental leave and job protection) as well as growing inequality due to the gap in women's digital inclusion and participation in STEM areas.

Meaningful progress will only be achieved when actions are responsive to the needs of all women and LGBTQI people (including young, Indigenous, migrant, refugee, and older women and LGBTQI people, widows, and those with disabilities and from minority groups). Alongside this, G20 countries must implement a strong framework of legislation and policy that combats discrimination and inequality in every sector so that no one is left behind.

The outbreak of the COVID-19 pandemic have resulted in disproportionate impacts on women, as frontline essential workers, care takers, and as income provider for their households. The pandemic is expected to further deprioritize the women empowerment agenda. We stress the need for a gender-responsive response and recovery from the pandemic, that tailors to women's needs and puts their rights at the center of all relevant action plans.

- 1. World Economic Forum. The Global Gender Gap Report 2020, 2020.
- International Labour Organization. Economic Impacts of Reducing the Gender Gap (What Works Research Brief No. 10), 2017.
- 4. Care International. Counting the Cost: The Price Society Pays for Violence Against Women; 2018; Universal Access Project. BRIEFING CARDS: Sexual and Reproductive Health and Rights (SRHR) and the Post-2015 Development Agenda, 2014.
- 5. UN Secretary-General's High-Level Panel on Women's Economic Empowerment. Leave No One Behind: A Call To Action For Gender Equality And Women's Economic Empowerment, 2016



Recommendations:

There are at least 8 commitments made by the G20 Leaders in the past 5 years regarding the empowerment of women. During the G20 Summit in Brisbane, G20 Leaders committed to the goal of reducing the participation gap between men and women by 25% by 2025, and bringing 100 million women into the labor market.⁶ In the 2019 Osaka Leaders' declaration, there was a renewed commitment to the inclusion of women, youth and people with disabilities in the labor market. But so far, only 18% of ministries worldwide are led by women, and out of those participating in parliament only 24% are women. Women around the world above the age of 15 are losing \$10.8 trillion every year in unpaid care work⁷.

We urge the G20 to resume the countdown to 2025 and roll out the steps towards achieving those commitments, while contributing to the global momentum towards empowering women. As such, we provide the following recommendations that will accelerate G20 delivery on commitments to achieve the economic justice for all women and LGBTQI people:

1. Develop and put into action National Implementation Plans to reduce the gender gap in labour market participation by 25 per cent by 2025, focusing on decent work, applying an intersectional approach, in accordance with the guidelines in Appendix 1. We stress the need to include women in decision-making in all phases of the policy cycle, including: ideation, design, implementation, monitoring and evaluation of labor market policies; and all levels of decision-making in national, regional, local, business, social and organizational settings. 2. G20 Finance Ministers should apply gender-responsive analysis and mainstreaming in G20 COVID-19 Action Plan, to include:

- Prioritize social spending that includes funds dedicated for Gender-based
 Violence Prevention infrastructure: safe homes, reporting centers, and psychosocial support services.
- Expand debt relief to countries in the Global South and contribute towards progressive and fair tax systems to allow for fiscal space to respond to the pandemic and strengthen their health systems.

3. Health workers must also be prioritized both in access to care and specific economic and social support.

Women are globally around 70% of the health working force, many live in substandard surroundings and are stigmatized by their neighbors because of their actual risky work.



- 6. G20 Leaders' Communiqué, Brisbane, November 16, 2014
- 7. OXFAM 2020. Time to Care: Unpaid and underpaid care work and the global unequality crisis . Oxfam International



A. C20 Sherpa Track Compendium Gender



4. Prioritize Sexual and Reproductive Rights Services (SRHR) in G20 responses to COVID-19,

by removing barriers to access to contraception and menstrual hygiene products via telemedicine. In addition, continue to provide maternal and prenatal care for women and girls.

Women's ability to access those services will affect their ability to return to education or work, and will allow for a just recovery. Women's health services are expected to be jeopardized as health systems continue to struggle to cope with the outbreak of the pandemic. Experience from other emergency contexts highlights the need for urgent action both to prevent and respond to the vulnerabilities faced by girls and women, including risks from child, early and forced marriage.⁸

5. Increase resources to prevent, respond to, and monitor gender-based violence,

collaborating with grassroots movements and organisations to scale up their best practices and working with boys and young men to break down harmful gender norms and stereotypes, and support the adoption of an effective ILO Convention and Recommendation to prevent, address and remedy violence and harassment in the World of Work;



8. Girls are Not Brides Policy Brief on the Impact of COVID-19 on 'Child, Early or Forced Marriages': www. girlsnotbrides.org/wp-content/uploads/202004//COVID-19-and-child-early-and-forced-marriage_FINAL.pdf



6. Institutionalise a gender mainstreaming strategy across the G20 agenda

that is inclusive of different sexual orientations, gender identities, gender expressions and sex characteristics) with appropriate accountability mechanisms including data collection and establish a Ministerial Working Group on Gender (ensuring accountability through transparent and adequate resourcing, monitoring and evaluation) and commit to do so in subsequent years.

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Appendix 1

C20 Proposed Guidelines for G20 National Implementation Plans towards Reducing Gender Gap Participation in Labor markets by 2025

Each National Implementation Plan must include a holistic set of policies, initiatives, and legal instruments that align with and contribute to the Sustainable Development Goals and target the youth dimensions and the seven primary drivers of women's economic empowerment, as identified by the UN Secretary-General's High-Level Panel on Women's Economic Empowerment.

In addition, Implementation Plans must include policies and initiatives that:

- A. Work to eliminate gender-based violence and harassment in all spaces;
- **B.** Recognise, reduce and redistribute women's unpaid care and work and support women's and LGBTQI people's safe access to economic opportunities – as part of this, G20 countries must increase investment in:
 - Accessible and quality care and social services;
 - Comprehensive social protection (including universal pensions and paid parental leave for parents, guardians and caregivers of all genders);
 - Technologies and infrastructure that save time and labour and protect women and LGBTQI people's safety in the world of work (including water, sanitation, transport and energy infrastructure);
- **C.** Design specific policy interventions and active labor market programs to tailor to youth, especially NEET, like apprenticeships, upskilling, and lifelong learning.
- **D.** Address the disproportionate impacts that corruption has on women by implementing previous G20 anti-

corruption commitments and mainstreaming gender throughout; recognising and addressing sexual extortion ('sextortion') as a gendered form of corruption and violence; and collecting gender disaggregated data to better understand and monitor the gendered impact of corruption and inform evidence-based and gender-sensitive anticorruption initiatives;

Ø

- **E.** Ensure universal provision of Sexual and Reproductive Health and Rights information, education and services, including education and campaigns around consent, comprehensive sexuality and relationship education (that is inclusive of different sexual orientations, gender identities, gender expressions and sex characteristics), and access to contraception and safe abortion services;
- F. Work to bridge the digital gender divide by implementing the measures outlined in the 2018 G20 Digital Economy Ministerial Declaration;
- **G.** Accelerate the equal participation of women and LGBTQI people in decisionmaking with special attention to intersecting forms of discrimination – this includes promoting women's and LGBTQI people's participation as voters and candidates in electoral processes and supporting their representation in governance institutions, including constitutional committees, parliaments, public administrations and the judiciary;
- H. Ensure women and LGBTQI people, especially those with disabilities and/or living in rural areas, have access to quality education that prepares them for the future of work.



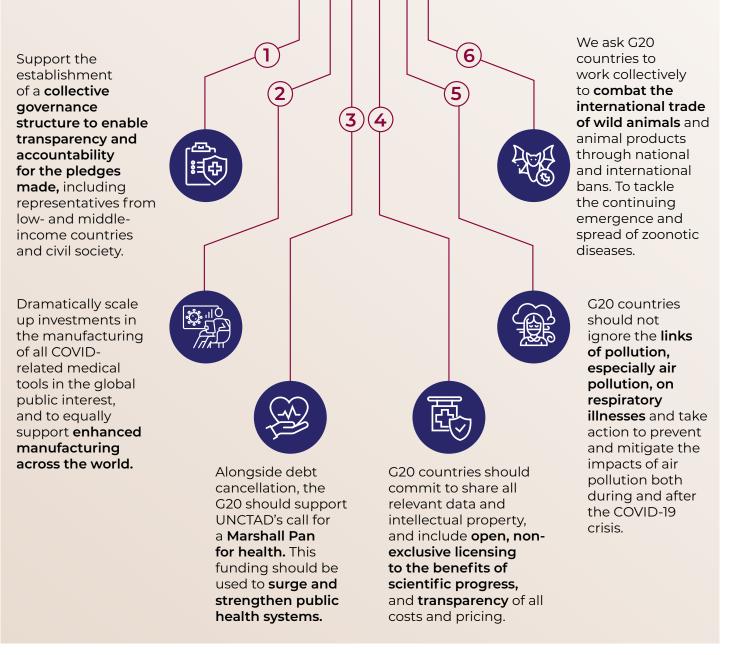




Global Health

<u>Highlights</u>

As a forum for the world's largest economies, the G20 is uniquely positioned and has a responsibility to address global health threats. The global pandemic crisis has further emphasized that Global Health policies are essential for maintaining stability and security of the world order. The G20 must consider the collective global response to COVID-19, not just health systems "at home" but also in countries where health systems are weaker, especially in low- and middle-income countries and challenging operating environments. While we provide here a summary of our recommendations, we remain committed to monitoring the evolving global situation, and providing timely recommendations accordingly.



2020 Civil Society 20 Policy Pack

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Global Health

Background

As a forum for the world's largest economies, the G20 is uniquely positioned and has a responsibility to address global health threats. G20 countries, along with all UN Member States, committed to achieve Universal Health Coverage (UHC) by 2030 by adopting the Sustainable Development Goals (SDGs). However, the world is far from achieving this; at least half of the world's population lacks access to essential health services, 100 million people per year are pushed into poverty by <u>health expenses</u> and 45% of under-5 deaths are linked to <u>undernutrition</u>. Unless collective action is taken, this situation is likely to get a lot worse by the COVID-19 pandemic.

"Human health and well-being lies at the core of the 2030 Agenda, the SDGs and the pledge to leave no one behind. It is also a central element of human dignity and human rights, fundamental to human capital and development. As a public good and a necessary component for socio-economic stability, global health is also a key driver of inclusive growth. In addition to persistent health challenges, emergencies – such as those arising from outbreaks of infectious diseases – can overwhelm health systems, spill into other sectors and even shut down economies. Ultimately, these health threats can hold back or even reverse a myriad of gains for sustainable development."

> OECD, 2019

COVID-19 is a global crisis of health, economic, social and political dimensions, disproportionately affecting women and girls, and it requires a collective global response where we prioritise leaving no one behind. It is an **urgent reminder** that we need to increase health investment in what we know works: strong international partnerships, health systems that reach everyone, research and development (R&D) that is affordable and accessible by all, evidence-based actions to address malnutrition, a gender and rightsbased approach to care, multi-sectoral collaboration, and empowered and capacitated community and civil society partners to help deliver the response.

We welcome the new Access to COVID-19 Tools (ACT) Accelerator, and the recent leadership and contributions of G20 countries at the COVID-19 pledging conference. The need for global public goods to be affordable, safe, effective, easily administered and universally available for everyone has been widely recognised. The G20 must now play a role in defining how this is going to happen and what the global governance structure will look like. The G20 has proved itself as an effective partnership in responding to crises. In 2014, during the Ebola outbreak in West Africa, G20 Leaders responded with their first collective commitments on global health. They highlighted the G20's comparative advantage

in addressing "longer-term systemic issues and gaps in capability, preparedness and response capacity that expose the global economy to the impacts of infectious disease and announcing a range of measures to strengthen national. regional and global preparedness against threats posed by infectious diseases to global health." G20 efforts in mobilising resources for the prevention and control of Ebola proved effective in contributing to international efforts.

As we write this paper, we face a situation where there could be no declaration issued by the G20 Health Ministers this year. At a time where global solidarity and cooperation is needed most, this will be a deadly missed opportunity. As such, the upcoming Joint Health and Finance Ministers meeting, and the Leaders' Summit are vitally important for producing a result.

Recommendations

- Consider channelling a portion of COVID-19 response funds through additional, targeted support via the Global Fund to Fight AIDS, Tuberculosis and Malaria's COVID-19 Response Mechanism (C19RM) and the Global Drug Facility, to enable a very rapid, highly effective response to COVID-19 at a scale that will be difficult to replicate through bilateral spending. This would also allow for resources invested in the global response to COVID-19 to protect and bolster HIV, TB and malaria programme infrastructures, by strengthening health systems, supporting resilient supply and procurement systems, and facilitating a quick, and flexible response to stock outs of key commodities globally.
- In light of the recent pledges at the European Commission pledging conference, the G20 should:
 - Support the establishment of a collective governance structure to enable transparency and accountability for the

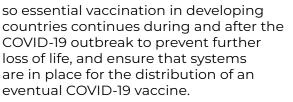
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pledges made, including representatives from low- and middle-income countries and civil society.

- Pledges for R&D should attach access conditions to ensure that collective efforts are needs-driven and evidence-based, and that the end product is affordable. accessible and available for everyone who needs it. This should include commitment to share all relevant data and intellectual property, and include open, non-exclusive licensing to the benefits of scientific progress, and transparency of all costs and pricing.
- Given the unprecedented global demand, G20 governments will also need to dramatically scale up investments in the manufacturing of all COVID-related medical tools in the global public interest, and to equally support enhanced manufacturing across the world.
- The G20 must consider the collective global response to COVID-19, not just health systems "at home" but also in countries where health systems are weaker, especially in low- and middleincome countries and challenging operating environments. This must include an empowered and capacitated community response and investments in manufacturing capacity. It must also include protection of other essential health services.
- Recognise that adequate nutrition is crucial to healthy and productive lives, and commit to the UN Decade of Action on Nutrition, including through a successful Tokyo Nutrition for Growth (N4G) Summit.
- In light of the suspension of polio preventative campaigns and outbreak response due to COVID-19, commit to support the resuming of these activities as soon as it is safe to do so to ensure progress is not lost on achieving a poliofree world.
- Support Gavi's replenishment this year,







- Alongside debt cancellation, the G20 should support <u>UNCTAD's call for a</u> <u>Marshall Pan for health</u>. This funding should be used to surge and strengthen public health systems including the training and recruitment of millions of paid and protected health workers as well as the suspension of user fees and insurance conditions to ensure unconditional access to all health services for all free at the point of use, as advised by the WHO.
- ◆G20 countries should not ignore the links of pollution, especially air pollution, on respiratory illnesses and take action to prevent and mitigate the impacts of air pollution both during and after the COVID-19 crisis. Further, when reopening economies and implementing stimulus/ bailout packages, G20 countries should add provisions to ensure investment in green growth and pollution prevention, and start planning now for investments that not only take into returns for the economy, but also returns for health and well-being for all.⁸
- 460% of emerging infectious diseases are zoonotic and 70% of these are thought to originate from wildlife. The continuing emergence and spread of zoonotic diseases, including COVID-19, often caused by the demand for wild animals and wild animal products, is a severe risk to global health. It is therefore important for G20 countries to work collectively to combat the international trade of wild animals and wild animal products through national and international bans.

Rationale

- **Collective Action:** When the world has come together to prioritise the health and nutrition of everyone, countless lives have been saved, for example through partnerships like the Global Fund, Unitaid, the Global Polio Eradication Initiative, WHO and Gavi, the Vaccine Alliance. These multilaterals are well placed to help respond to new outbreaks. For example, the Global Fund is the largest multilateral investor in health systems, making it uniquely placed to prevent, detect and respond to existing and emerging health threats. Through its COVID-19 Response Mechanism (C19RM) it is well placed to respond to COVID-19 while maintaining essential HIV, TB and malaria services.
- Prevention of secondary impacts: The response to COVID-19 will have knock-on impacts on access to routine health services and adequate nutrition, including sexual and reproductive services, routine immunisation, and HIV, TB and malaria programmes. Without action, the excess death toll from non-COVID-19 related health conditions and malnourishment is likely to be even higher than that for the virus itself. For example, In high burden settings, HIV, TB and malaria related deaths over 5 years may be increased by up to 10%, 20% and 36%, respectively, compared to if there were no COVID-19 epidemic.
- (Research and development (R&D) and manufacturing capacity: Any new tools developed for COVID-19 must be globally available, appropriate and affordable. Access and affordability should be integral requirements of the entire research and development (R&D) and manufacturing process. This should include promoting the full use of TRIPS flexibilities, voluntary licensing and technology transfers, as well as supporting resilient supply and procurement systems to facilitate quick, flexible and coordinated responses to





ensure access and prevent stock-outs of technologies, equipment and supplies globally.

- Health systems strengthening: Health systems in all countries are being overwhelmed, with a lack of health care capacity for patients and a lack of personal protective equipment (PPE) for health workers. With tens of thousands of confirmed cases across Africa and Latin America, there are concerns about the capacity of the health systems to respond as case numbers grow.
- Leave no one behind: COVID-19 will disproportionately affect women and girls, vulnerable and marginalised people, such as LGBTQI people, people living in poverty, people who are malnourished, elderly people (including those with dementia), homeless people, people with disabilities, ethnic communities, prisoners, migrants, refugees, and people with existing health conditions. The health response must; prevent stigma and discrimination, and include psychological care,

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social protection measures, safe and quality health care including sexual and reproductive health care, and direct nutrition interventions. Community health workers can be activated for awareness raising, prevention and early notification. The WHO has recommended that all user fees for all health care should be urgently suspended at least for the period of the pandemic and entitlement to health care made universal and unconditional regardless of insurance status.

- **Gender and rights-based response:** Women and girls must have access to Gender Based Violence (GBV) prevention and response services, including GBV survivor services such as temporary shelter, safe housing, and financial support. Health workers must also be prioritised both in access to care and specific economic and social support. Women are globally around 70% of the health work force, many live in substandard surroundings and are facing special discrimination due to their work.
- Early warning systems: Effective and early pandemic alert systems should be strengthened, for example in calling for global pandemic alert meetings on the response and mobilisation of resources for prevention, including in low- and middle-income countries.
- Economic case for investment: Between 2015 and 2030, a cumulative projected US\$ 11.2 trillion will be lost in economic output from low-income and developing countries (LIDCs) from preventable mortality. Meanwhile, advancing UHC by 2030 would require, on average, an <u>additional US\$ 58 per capita per</u> <u>year across 67 LIDCs</u>. Further, US\$ 1 invested in nutrition could yield as much as US\$ 35 in <u>benefits</u>.
- Address priority transboundary issues: In response to the COVID-19 crisis, <u>approaches to resilience must be strengthened</u>, for example action on climate change and environmental policies to address issues such as trade of wildlife.







Local2Global

<u>Highlights</u>



As civil society, we remain alarmed by the deteriorating situation of human rights globally. Civil liberties and civic spaces are restricted in different countries of the world, including in G20 countries.





Local2Global

G20 Commitment

"To build consensus for fair and sustainable development through an agenda that is peoplecentred, inclusive and forward-looking." "Building consensus requires the commitment of the society as a whole." "We renew our commitment to work together to improve a rules-based international order that is capable of effectively responding to a rapidly changing world."

G20 2018 Leaders' Declaration G20 2018 Leaders' Declaration G20 2018 Leaders' Declaration

Challenges:

Civil society organizations (CSOs) are important development actors on local and global stages. They play important roles on voluntary basis as human rights defenders, knowledge producers, policy innovators, implementers of key humanitarian programs, social workers, and advocates on behalf of disadvantaged and vulnerable groups. CSOs are also viable economic contributors to GDP; accounting on average for 4.5% of GDP according to one study, and estimated to employ 7.4% of the total workforce.¹ This year marks the start of the Decade of Action towards achieving the UN Sustainable Development Goals which places equal emphasis on the role of Civil Society actors in accelerating the achievement of the goals. The 2030 Agenda for Sustainable Development also includes commitments towards the enhancement of civic spaces, for example, Target 16.7 on responsive, inclusive, participatory and representative decision making.

As civil society, we remain concerned and alarmed by the deteriorating situation of human rights globally. Civil liberties and civic spaces are restricted in different countries of the world, including in G20 countries. Civic space is not only shrinking. It is under attack. According to civil society independent estimates,² 40% of the world's population was living under repression at the end of 2019, as compared to 19% in 2018. Increased repression through state security apparatus is both a cause and a result of growing inequalities of opportunity. The increasing rate of systematic arbitrary and unlawful detentions are matters of deep concern amongst global civil society organizations. This year has witnessed a number of unlawful human rights violations against peaceful activists, including: arbitrary arrests and detentions based on false allegations, unfair trials, restrictions and threats

^{1.} According to a study by the Johns Hopkins University, the non-profit workforce makes up 7.4% of the total workforce on average in the thirteen countries on which data was collected; placing it ahead of a number of major industries. See The state of global civil society and volunteering. Available in: <u>http://ccss.jhu.edu/wpcontent/uploads/downloads/201304//JHU_Global-Civil-Society- Volunteering_FINAL_3.2013.pdf</u>

^{2.} Civicus Data Monitor (2019) "People, Power Under Attack" <u>https://civicus.contentfiles.net/media/assets/file/</u> <u>GlobalReport2019.pdf</u>



to activists' families and friends, and torture while in confinement. In many instances, allegations and arrest warrants are forged and laws are being used as a tool to stifle dissent.

The lockdown in most countries, as a result of the COVID-19 pandemic outbreak, has resulted in less public demonstrations, and instead the rise of more virtual petitioning and strikes. It is during this time of crisis, where public spaces are not available for the demonstration of public demands by CSOs and activists, that policy makers need to uphold the responsibility to seek out diverse voices and stakeholders, subject their actions to public scrutiny, and to maintain an inclusive and just response and recovery.

Additionally, the outbreak of the pandemic continues to pose serious challenges to CSOs across the world. The C20 has surveyed 100 CSOs from across the world, to investigate the impact of the crisis on CSOs operations. The following list summarizes the major global trends for CSOs:

- 41% of respondents expressed that they have witnessed a significant increase in demand for their services, while 17% expressed witnessing significant decrease in demand
- 434% expressed significant decrease in funding for their operations, services and activities.
- 32% of respondents witnessed significant decrease in charitable giving.



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3. For example, governments point to the need for transparency to justify "(1) burdensome requirements for reporting and for disclosure of private information (e.g., in Bulgaria, Panama, Uganda); (2) mandatory disclosure of private assets of CSO directors and/ or officers (e.g., in Ukraine and India); (3) limiting public advocacy by categorising CSOs as lobbyists or political activists (e.g., in the United Kingdom and Ireland); (4) disclosure of private and international funders (e.g., in Hungary and Mexico); and (5) disproportionate penal provisions linked to non-compliance with reporting and disclosure requirements (e.g., in Egypt and Russia)."

- As a coping mechanism, many CSOs have resorted to the following measures for business continuity
 - 44% of respondents shared that they have canceled, scaled down or limited their activities and services
 - 30% are introducing budget cuts
 - 18% are planning on scaling up and expanding their services in response to community needs arising from the crisis

Another major challenge that is exacerbated by the pandemic crisis is the lack of funding and financial support for CSOs. The survey showed that there is no emergency funding being made available and accessible for CSOs by governments, corporations and grant-making foundations. CSOs shared that their funding ability has been drastically affected for many reasons:

- Funding partners keeping their resources for their own survival
- Due to fundraising visits and events are not possible to hold
- All funding and support is being steered towards supporting governments' response to the pandemic
- Disruption of cash flow and delayed payments

While the world adjusts to working remotely, CSOs are finding it difficult to adjust to this trend, with 65% expressed going through a financial, operational or IT-related challenges impeding their work. Many CSOs are facing issues with weak internet connectivity, especially for those operating in the Global South. Many are not able to afford software and tools for teleworking.

Those challenges are further exacerbated by the financial restrictions imposed on CSOs. Emerging legal trends reflect governments' misapplication of international legal standards to address problems of corruption and antimoney laundering and counter-terrorism financing (AML-CTF) regulations in ways that close civic space.³ Governments increasingly



impose restrictions based on the origin of funds, how those funds are channeled, and on which issues donated funds may be spent. In particular, limitations on foreign donations deprive CSOs of a valuable source of funding, causing many organisations to greatly scale back or cease operations that help vulnerable and marginalised people in their countries.

One troubling development affecting civic space is the problem of bank de-risking: inordinate delays in cash transfers, onerous due-diligence requirements, inability to open bank accounts, and arbitrary closure of bank accounts. One of the key drivers of bank de-risking for non-profit organisations (NPOs) is the failure of governments to properly implement the revised Financial Action Task Force (FATF) Recommendation 8 and its Interpretive Note, which explains that governments must not treat all NPOs as uniformly vulnerable to abuse for the financing of terrorism, but rather that they should impose proportionate laws and measures on a subsector of NPOs identified as at heightened risk without limiting the legitimate charitable work of the sector.⁴ Notwithstanding this FATF reform, governments worldwide are imposing one-size-fits-all legal restrictions on all NPOs based on the unsubstantiated argument that they are all at high risk for terrorism financing abuse.⁵ A second key driver of bank derisking is that financial institutions frequently perceive the profit margin for providing banking services to NPOs as too low to justify the high cost of due-diligence measures or



- 4. See ICNL FATF Toolkit, <u>http://www.icnl.org/programs/lac/</u> fatftoolkit.html
- 5. See Human Security Collective and European Center for Not-for-Profit Law (ECNL) At the Intersection of Security and Regulation: Understanding the Drivers of 'De-Risking' and the Impact on Civil Society Organizations. Available in:

http://ecnl.org/wp-content/uploads/201805// Understanding-the-Drivers-of-De-Risking-and-the-Impact-on-Civil-Society-Organizations_1.pdf the institution's own risk of running afoul of ambiguous AML-CTF rules with steep sanctions for non-compliance. Bank de-risking is reportedly disproportionately affecting NPOs working in peace operations/peacebuilding public health, development/poverty reduction, human rights/democracy building, and humanitarian relief.

Recommendations:

As the challenges of the world continue to grow in complexity, the role of civil society continues to grow in importance. Civic spaces need to be respected and enabled. As such, we ask G20 Leaders to adopt the following actions towards protection civic spaces:

1. We call on all G20 nations and governments to respect the human rights of dissidents, defenders, activists, journalists, researchers and civil society organizations. This includes:

- The immediate release of all citizens and peaceful activists who have been wrongfully detained.
- Guarantee fair and open trials through transparent courts and justice systems, and a fair due process.

2. G20 governments should commit to providing access to CSOs to emergency funds in the same manner provided to business entities and corporations.



3. Commit to policies that facilitate legal creation and operation of CSOs:

- Facilitate the laws and the application procedures to create and operate a CSO by eliminating extraneous paperwork, high fees, and onerous requirements. Repeal or substantially amend legislation and regulations that require associations to obtain prior authorisation for registration as a legal entity, and replace them with simple, accessible, non-discriminatory notification processes which are either affordable or free of charge, in consultation with human rights defenders and CSOs.
- Facilitate CSO access to resources from a range of international and domestic sources by guaranteeing in law and practice the right of CSOs to seek, receive and utilise funding from national, foreign and international sources without prior authorisation or undue interference.
- Enable CSO participation in international processes at the UN and other international fora instead of blocking them.
- Collaborate with CSOs to evaluate the overall legal environments in which the organisations operate in order to identify broader barriers to freedom of association. for example, tax and customs laws that inhibit charitable donations and labour laws that impede volunteerism.

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4. Reverse the financial exclusion of non-profit organisations (NPOs)

due to risk and cost aversion by banks in complying with anti-money laundering and counter-terrorism financing (AML-CTF) laws and regulations, by effective steps by G20 states in collaboration with the Financial Action Task Force (FATF), the Global Partnership for Financial Inclusion (GPFI), the World Bank, and NPOs; resulting in robust sectoral Risk Assessments that lead to targeted, proportionate and effective measures which do not hamper legitimate charitable activity in any way.

5. Adopt policies to enable mechanisms to create sustainable partnerships for development:

- Recognise civil society as a legitimate actor and implement policies to enable civil society to participate in decisionmaking processes in an inclusive and democratic way.
- Adopt procedures and channels for inclusive partnerships, including roadmaps for CSO-State engagement.
- Commit to work with and support capacity-building for CSOs; bilateral and multilateral donors should emphasise enabling environment objectives in their policy framework for partnering with CSOs, and their funding modalities for CSOs must respect the diversity of CSOs and be responsive to CSO initiatives.
- Build and strengthen multi-sectoral partnerships for development in order to accomplish 2030 Agenda - as stated in SDG 17 – through improved channels for CSO engagement and full participation in public policy development.



9



Trade & Investment

<u>Highlights</u>

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Current global trade policies aiming at more deregulation, more globalisation, and more market opening have little emphasis on socio – economic development and reduction of inequality.



The economic policies of the G20 countries urgently need a reset. An economic policy for the people and the planet, as the laws of nature cannot be changed by humans, and it should aim at benefitting everyone and not a few that are already rich enough or too rich.



Trade agreements must be democratically accountable and transparent, promote sustainable production and consumption, and allow governments to protect local markets for meeting social and environmental needs, and to promote local employment and vocational training.



Trade agreements must align with the Guiding Principles on Business and Human Rights, and protect workers' rights.



The G20 should support developing countries by giving unilateral market access benefits that do not need to be reciprocal, and support legal systems where investors do not have more rights than workers, civil society, consumers and citizens.





G20 Commitments

We welcome that the Saudi presidency is addressing flaws in the global trade system in its Presidency priorities. *"The global economy is not delivering for all and inequalities are growing amidst a rapidly evolving environment. This is undermining people's confidence in trade openness and the benefits of technological innovation and weighing on long-term economic growth and stability. The Saudi G20 Presidency will tackle these challenges to ensure prosperity for all people."*.

Previous presidencies emphasized economic imbalances and the need to address them on the agenda. Huge deficits and surpluses are a sign that there are global imbalances that have the potential to create trade conflicts. In the Osaka declaration 2019, they stated "Global current account imbalances have narrowed in the aftermath of the global financial crisis, notably in emerging and developing economies and they have become increasingly concentrated in advanced economies. However, they remain large and persistent.". In the 2018 Buenos Aires Action Plan, the G20 recognised: "Excessive external and internal imbalances pose a risk to global economic and financial stability." In the Hamburg 2017 Leaders' Declaration, the G20 stated: "We recognise that the benefits of international trade and investment have not been shared widely enough. We need to better enable our people to seize the opportunities and benefits of economic globalisation."



Challenges:

COVID-19 is throwing the global economy into a massive crisis. Small and mediumsized enterprises are likely to be much more affected than large companies. They create the bulk of formal and informal employment. Around the world, enormous stimulus programs are launched to avert the worst. These programs have the potential to address what went wrong before the COVID-19 crisis – or to exacerbate the impacts of wrong policies that were already in place before. All around the world, there are massive popular protests against economic inequalities resulting from market-fundamentalist policies. Trade agreements have followed the same lines. They are aiming at more deregulation, more globalisation, and more market opening, with little emphasis on socio – economic development and reduction of inequality.

This neoliberal approach has only lead to growing inequality, up to dramatic proportions, with a handful of billionaire individuals as wealthy as half of humanity. Dozens of new trade agreements in the pipeline are mainly aiming at liberalising agriculture and services, and "regulatory harmonisation". This agenda serves multinational corporate interests, not the local economy, neither people nor the planet.

Family and small-scale farms around the globe are in crisis, which forms one of the main reasons of the massive migration from rural to urban areas within and across borders. Family and small-scale farms are a better answer to the challenge of feeding the world than the industrialisation and globalisation of agriculture. They depend on properly functioning regional markets, not global markets with fierce price competition with agribusiness corporations. We oppose trade agreements that further globalise agriculture markets.

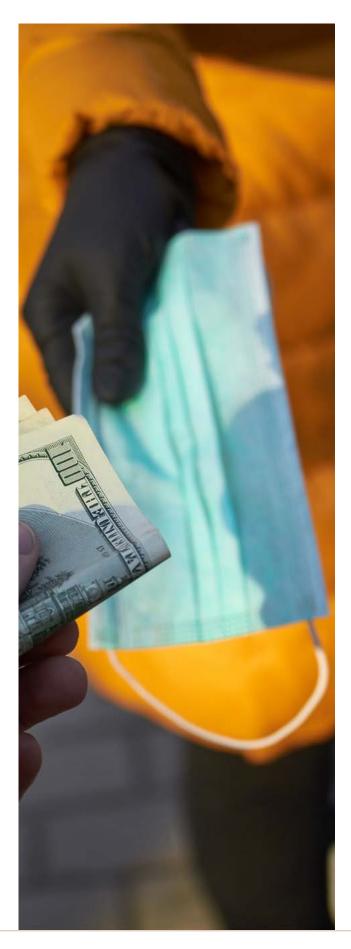
The services sector is another main sector affected by projected new trade agreements. Through services liberalisation, working people are being pushed into an ever-growing low-wage precarious sector where the achievements of 150 years of struggles by the labour movement are under massive attack. The main reason is not only technological developments such as digitalisation, but politically promoted deregulation of the services sector. The transformation of non-profit public services into commercialised and privatised sectors is a key component of new trade agreements, with working people and consumers paying the price for ever higher "shareholder value" of a financial oligarchy that seemingly is never rich enough. The COVID-19 crisis shows dramatically how important notfor-profit public health systems are. They must preserved and expanded, not commercialized. We oppose ongoing attempts in trade agreement negotiations to open "health markets" to foreign investors and competition, turning health systems into yet another investment opportunity.

Investor protection agreements are instrument to prevent regulation in the public interest by giving multinational corporations a parallel legal system where only they can sue governments for such indefinite terms as "lost profits", "indirect expropriation" or "unfair treatment". Many regulations are being challenged in such tribunals, while many governments are scared to adopt policies in the public interest because they fear being sued for millions of dollars in these tribunals. Some G20 member states have recently taken positive steps to reform their bilateral investment treaty (BIT) regime by terminating their existing treaties and undertaking parallel policy reforms.

A standard aim of new trade agreements is increasing intellectual property rights







A. C20 Sherpa Track Compendium Trade & Investment



on pharmaceuticals, even more than the WTO TRIPS Agreement. As a result, access to medicine for poor people is restricted in many developing countries. This contradicts SDG Target 3b that calls for providing "access to affordable essential medicines and vaccines, in accordance with the Doha Declaration on the TRIPS Agreement and Public Health". For the poor, IPRs are not too weak, but too strong.

The transformation to a sustainable economy for people and the planet. as envisaged in the UN Sustainable Development Goals need governments actively regulating in the public interest to overcome the present resourceintensive economic system. Social and civic movements all over the world call on governments to return to an activist state regulating the business sector in the public interest. The free trade agreements in the pipeline of G20 countries, however, aim at so-called "regulatory cooperation" which in practice translates into making regulation in the public interest more difficult, if not impossible.

The impact of COVID-19 has been utterly devastating and cannot be underestimated. According to calculations by the UN and others, the COVID-19 pandemic could cost the global economy between US\$1 - 2.7 trillion and is triggering a global recession forcing states to introduce costly stimulus packages. The costs to the international community and governments of fighting a global pandemic are vastly higher than the costs of preventing it in the first place. This includes eliminating the global wildlife trade and funding the coordinated global response needed to bring an end to the wildlife trade.



A. C20 Sherpa Track Compendium Trade & Investment



Recommendations

Another lesson stemming from the COVID-19 crisis is that hyper-globalization of supply chains makes economies extremely vulnerable to shocks. G20 leaders should resolve that WTO and other trade agreements will focus now on re-adjusting the balance between functioning regional markets and globalization, with a view on shorter supply chains. This is not the time for "trade wars" who will have only losers, it is time for international cooperation to fix the problems of a hyperglobalized economy with too many losers. The alternative to hyperglobalization is not protectionism but a new balance between local and global benefitting everybody.

Trade policy is a function of economic policy, and it cannot be redesigned independently. The economic policies of the G20 countries urgently need a reset, with different priorities and different outcomes. An economic policy for the people and the planet respects the planetary boundaries, as the laws of nature cannot be changed by humans, and it aims at benefitting everyone and not a few that are already rich enough or too rich. For a new economic policy and sustainable growth, we need different regulations and policies:

- Trade agreements must not promote trade for its own sake, but only in so far as it can also help meet the transformation we so urgently need.
- Trade agreements must allow governments to protect local markets, where local markets make sense for meeting social and environmental needs, and to promote local employment and vocational training.
- Trade agreements must protect workers' rights by discriminating against products that are unfairly cheap by exploiting workers, and must be consistent with human rights obligations.



- Trade agreements must allow government to support and promote sustainable producers by discriminating against products that are unfairly cheap by polluting and destroying the environment or exploiting workers, who are often women. Trade agreements should give preferential market access to companies and producers who are pioneering the transformation towards sustainability.
- The G20 should support developing countries by giving unilateral market access benefits that do not need to be reciprocal.
- Trade and investment agreements must not give investors unfair advantages over other parts of society. We need legal systems where investors do not have more 'rights' than workers, civil society, consumers and other citizens. In short, such agreements must not undermine the regulation of trade and investment for the benefit of people and the planet and for the transformation towards a sustainable economy. Therefore we call on the G20 to cancel their old ISDS treaties.
- Trade negotiations must become democratically accountable and transparent from the outset, when negotiation mandates are formulated. Negotiating in secrecy, with the influence of only business lobbyists, almost guarantees that societies do not accept such agreements.
- The Guiding Principles on Business and Human Rights provide a clear roadmap for protecting and respecting human rights as part of the wider concept of responsible business conduct. Acting on the Guiding Principles should also be a key part of the SDGs roadmap as the public sector is partnering with

the private sector to solve the world's sustainable development challenges. Put simply, achieving the SDGs will require that States meet their duty to protect human rights from businessrelated human rights abuses and that businesses meet their corporate responsibility to respect human rights;

- The G20 should make a collective commitment to end the national and international trade in wild animals and wild animal products, and ask global institutions and bodies to put in place mechanisms to develop, facilitate and implement this ban.
- In light of the Saudi presidency's commitment "Special attention will also be devoted to facilitating and promoting an increased role for micro, small, and medium-sized enterprises in the global economy", we call on G20 governments to prioritize the survival of SMEs in their post-COVID-19 stimulus programs.

What we need now is a re-start of the global economy with different priorities benefitting all people. We don't need a whole series of new bilateral or regional or sectoral trade agreements, but a comprehensive reform of the WTO along these lines. "My country first" is not the solution. "Protectionism vs Free Trade" is a fake dichotomy – the real problems are "neoliberal market fundamentalism vs sustainability for people and planet". Multilateral approaches can work, but that will only happen if the neoliberal model of globalisation is no longer imposed on the people of the world as the only model for development. Sustainability, justice and democratic participation of civil society are the answer, not authoritarianism, nationalism and neoliberalism. We can meet the challenges of the 21st century. The 2030 Agenda for Sustainable Development of the UN must be the guiding principles for the G20.

Policy Papers

Β.

C20 Finance Track Compendium





Infrastructure

<u>Highlights</u>



Building on the G20 adoption of the QII Principles in 2019, infrastructure should remain a priority for the G20 throughout the 2030 Sustainable Development 'decade of delivery' with a focus on sustainability, resilience, governance, and people-centered regional connectivity.



G20 countries should prioritise measures aimed at improving governance, and adopt international standards of transparency, accountability and good governance such as the Open Contracting for Infrastructure Data Standard (OC4IDS) and the Open Contracting Data Standard (OCDS).



G20 governments should integrate resilience into planning and delivery systems for infrastructure to withstand, respond to and recover rapidly from disruptions related to climate change, physical and cyber-attacks and pandemics.



Beyond attracting private investment, G20 governments should support public investment with reduced costs and increased sustainability and accountability.



Given the particular risk of water scarcity in many G20 countries. and around the globe, G20 should steer infrastructure investments towards technologies that provide water security for all.



Infrastructure

Relevant G20 commitments

The G20 Finance Ministers, in their meeting held in <u>March 2018</u>, announced that infrastructure would remain a priority for at least the next three years. In the same year, the G20 created and endorsed the <u>Roadmap to Infrastructure</u> as an Asset Class. Following this in 2019, the G20 Osaka Leaders' Summit <u>committed to</u> "... endorse the G20 Principles for Quality Infrastructure Investment as our common strategic direction and high aspiration. These 'QII Principles' emphasise that quality infrastructure is an essential part of the G20's ongoing efforts to close the infrastructure gap in accordance with the Roadmap to Infrastructure as an Asset Class."³ The Principles were subsequently supported by the 'G20 Compendium of Good Practice for promoting Integrity and Transparency in Infrastructure Development'.

Global context

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This year marks the beginning of a 'decade of delivery' with just 10 years remaining in which to deliver the Sustainable Development Goals (SDGs). Whilst progress has been made on some targets, we are not on course to eliminate poverty by 2030 and unless we cut greenhouse gas emissions, the effects, <u>according to the UN</u>, are likely to be catastrophic and irreversible. In addition to these challenges we must now also deal with the impact of the COVID-19 pandemic and the ensuing global economic crisis.

The COVID-19 pandemic is an era-defining event with far-reaching consequences for how we build and maintain infrastructure and deliver vital public services. It has already exposed the weaknesses of public health systems that have been privatised, poorly regulated and in many cases, subject to swingeing cuts as a result of austerity. In many instances these measures were the result of the conditionalities attached to financing from multilateral development banks (MDBs).

Infrastructure underpins most of the SDGs, so the task of increasing the volume and quality of investment is one of great urgency. Many of the vulnerabilities that have been exposed by the pandemic also require investment in infrastructure, including importantly addressing chronic underinvestment in social infrastructure. We should therefore avoid framing efforts to achieve the SDGs as competing with the response to the pandemic and efforts to rebuild our economies, as in many ways they are the same challenge and both can be addressed most effectively through a coordinated effort.



Another important global trend is the emergence of international initiatives that use infrastructure investment to connect major economies with new and established markets and provide access to primary products. They include China's 'Belt and Road Initiative, the US International Development Finance Corporation and the European Union's EU-Asia Connectivity Strategy. Whilst these initiatives have the potential to bring much needed investment, they also give rise to concerns about conditionalities, indebtedness and of being more concerned with the geopolitical interests of the countries backing them than with the priorities of the recipient countries.

Technology is another issue that is transforming the ways in which infrastructure and services are delivered. 'Smart infrastructure' for example incorporates sensing technologies which provide real time data to service providers thereby reducing bureaucracy, improving decision-making and ensuring infrastructure is fit for purpose. When applied at the urban level, these 'smart cities' enable the use of data to ease traffic congestion, regulate energy use, cut crime and link service users with public officials. However, there are also concerns that smart technologies are being developed top-down by government planners and tech firms and that they can also be used to monitor citizens and restrict civil liberties. Smart technologies should be subject to democratic accountability, consistent with international standards and used to promote social justice and meet the SDGs.

The G20's position

The Global Infrastructure Hub predicts a \$15 trillion investment shortfall between 2016 and 2040. Meeting this shortfall would require an increase in the proportion of global GDP dedicated to infrastructure investment from <u>3 per cent currently to 3.5 per cent</u>. The G20 is seeking to address this shortfall by mobilising private and institutional investment through the development of what it has termed 'infrastructure as an asset class'. This involves <u>standardising</u> the ways that investments are planned and brought to market and transforming them into financial instruments which are easy to buy and sell, and which provide an attractive revenue stream for investors.

However, infrastructure projects are inherently risky and frequently unprofitable, particularly in low- income countries (LICs) which are often characterised by poor governance. This makes them unattractive to private investors and in such circumstances, the risks are likely to be passed to the government in the form of contingent liabilities. These problems are likely to intensify as a result of the economic crisis.

G20 adoption of the QII Principles in 2019 was welcomed by the C20 as an indication that it was moving beyond a narrow focus on financing and committing to a more comprehensive approach. This year, the start of the 'decade of delivery' and the challenges associated with the COVID-19 pandemic and the ensuing global recession, will put that commitment to the test. Will the G20 continue with its primary focus on private financing? Or will these global challenges force it to consider a broader and more relevant set of priorities?



2020 Civil Society 20 Policy Pack



Recommendations

Infrastructure should remain a priority for the G20 throughout the 'decade of delivery'

In 2018 the G20 announced that infrastructure would 'remain a priority for at least the next three years', i.e. up to and including 2020. As we enter the 'decade of delivery' and respond to the challenges of the COVID-19 pandemic, the G20 should commit to retain infrastructure as a priority up to and including 2030.

Prioritise measures aimed at improving governance

The governance of infrastructure concerns the prioritisation, planning, financing, regulating, contracting and delivery of the built assets and associated services that are essential for economic growth and human development. Poor governance occurs when these things are opaque, poorly managed and when they fail to prioritise the needs of people and the environment. G20 countries should adopt international standards of transparency, accountability and good governance such as the <u>Open Contracting for Infrastructure</u> <u>Data Standard</u> (OC4IDS) and the <u>Open</u> <u>Contracting Data Standard</u> (OCDS).

Integrate resilience into planning and delivery systems

New and existing infrastructure must be designed and adapted to withstand, respond to and recover rapidly from disruptions related to climate change, physical and cyber-attacks and pandemics. This requires strengthening public institutions, improving design standards and supporting the development of community led infrastructure and decentralised systems in addition to largescale and centralised systems. It also requires considering the disproportionate impact of disruptions on the lives of girls and women and transgender people due to existing inequalities and gender-based roles and adopting measures to reduce and eventually eliminate them.



B. C20 Finance Track Compendium Infrastructure



Support public investment

Public financing is often less costly, more sustainable and more directly accountable to citizens than private financing and should be encouraged and supported by the G20. Investment from private sources might be appropriate in some circumstances, but only when value for money can be guaranteed, public service values are paramount, and international standards of transparency and accountability are met.

The G20 should rethink its 'infrastructure as an asset class' as it risks undermining progress on meeting the SDGs. It should instead assist governments to develop capabilities to enable them to make informed choices as to the most appropriate financing sources for infrastructure provision and, where private investment is sought, the ability to regulate and control the equitable and sustained provision of services.

Remove harmful conditionality from loan finance

The conditionalities attached to loan finance provided by MDBs have exacerbated developing countries' vulnerability to pandemics, natural and man-made disasters and the effects of the climate crisis. Measures such as fiscal austerity, market liberalisation, deregulation and privatisation have led to cutbacks in public health provision and the removal of social safety nets. Future financing packages must not impose conditions that ignore the priorities of citizens and their elected governments or undermine their ability to manage future crises.

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Promote people-centered regional connectivity

Regional infrastructure connectivity should be planned and implemented with the goal of meeting peoples' needs as its highest priority. This includes creating decent jobs, stimulating local economic development, protecting the environment, reducing inequality, promoting gender equality and social inclusion and building peace. Finance will be needed from MDBs and other sources, but they should work in genuine partnership with representative regional bodies, recipient countries and the communities effected by their investments.

Invest in technologies that provide water security for all

G20 members and MDBs should invest in new water conservation technologies, the development of energy efficient desalination plants, improvements to distribution infrastructure and effective international frameworks. The transfer of technology, especially to developing countries and for waste-water treatments, will help to achieve SDG 6 on clean water and sanitation and to realise the UN Human Right to Water and Sanitation.

Water is a driver of the global economy and the G20 should through a combination of regulation and incentives, encourage companies to embed the risks and opportunities of a water secure future into their business, financial and policy decision making. The management of potable water and methods to control its wastage should be implemented along with other methods to overcome the scarcity of water.



2



International Financial Architecture

<u>Highlights</u>



The G20 needs to redirect financial flows and realign global financial, fiscal and monetary systems towards the agenda of human rights, the Sustainable Development Goals (SDGs), the Paris Agreement, and promoting inclusive and equitable economic development.



The G20 Finance Track must seriously address issues of tax justice, fiscal transparency, illicit financial flows, taxation and inequality, financial regulation, financial inclusion, and debt sustainability with a spirit of global solidarity and resources for effective aid, through the following:

Immediately:



The G20 needs to adopt an ambitious package of shortterm responses in line with the call by UNCTAD for a composite \$2.5trillion package of measures, and ensure that emergency financing does not further compound debt vulnerabilities; by:

- Scaling-up ODA for developing countries to directly respond to the impacts of the crisis as well as the root causes of poverty and marginalization.
- committing to any fiscal stimulus packages being designed to (1) strengthen public systems, particularly health, education and social protection, (2) increase levels of decent employment, and 3) support a just transition to tackle the climate challenge.
- following the G20 debt relief initiative with a full cancellation of all external debt payments due to be made in 2020 and 2021 permanently and without conditionality, including for middle income countries.
- increasing the availability of central bank currency swap lines to emerging markets
- encouraging the IMF to establish a complimentary swap-type facility for developing countries, using the IMF's hardcurrency resources, and accelerate the process of a new allocation of Special Drawing Rights for developing countries.
- Suspending all global finance policy making mechanisms that are not inclusive of developing countries, including all unilateral deregulation measures, exclusive financial reform and trade negotiations, as well as the current OECD BEPS digital tax negotiations.

Concurrently:

The G20 should promote and support an ambitious UN-centred process leading to an International Economic Reconstruction and Systemic Reform Summit, no later than early 2021 to fulfil the following:



- Creating a systematic, comprehensive and enforceable process for sovereign debt restructurings to ensure timely and orderly debt crisis resolution and comprehensive creditor coordination as well as to prevent negative fiscal and social impacts of protracted debt crises.
- establishing a universal, intergovernmental tax commission to ensure all countries, including developing countries, are at the table to comprehensively review the current international tax system and negotiate international tax standards on truly equal footing.
- adopting a Global Consensus on Responsible Lending and Borrowing.
- Image: manual state of the adoption of a broader Domestic Resource Mobilization (DRM) new deal, involving other global institutions as well as regional bodies, with a combination of policy reforms, capacity building and political empowerment.
- requiring a global consensus that avoids imposing accelerated fiscal consolidations and austerity measures.
- establishing a new global consensus for countries to apply smart capital account management to prevent excessive speculative capital flows and currency depreciation.
- introducing an International Solidarity Levy, wealth taxes, Financial Transactions Taxes (FTTs) and Solidarity Levy on Air Tickets, to finance SDG implementation and reduce the financial speculation.

These highlights are only some of the measures proposed in the policy paper



International Financial Architecture

Global context: COVID-19 Crisis

The world is confronted with a human crisis of inestimable proportions, which will impose its heaviest tolls on the marginalised and those at the intersections of multiple vulnerabilities. The crisis faced by the global community must be understood not just as a public health crisis triggering economic and financial crises, but first and foremost as a human and social crisis. With projections that half a billion people could be forced into poverty, we understand the unfolding economic and financial consequences to be rooted in patterns of financialised hyperglobalisation that amplified structural inequalities, within and between countries, and ossified a global division of labour focused on the extraction of wealth and resources from the Global South. Once again, women are being exposed to multiple burdens, being under/un-paid and overrepresented in care, social, domestic, frontline health, and food systems roles, as well as in the informal economy and small enterprises.

The pandemic also reveals the consequences of decades of structural adjustment, fiscal consolidation, corporate concentration, tax dodging and financialisation, resulting in the structural under-investment of public health, care and social protection systems now proving so crucial. As the G20 was initially constituted precisely to confront a global crisis, it is imperative that it shows leadership in these unprecedented times and promotes ambitious multilateral responses in the context of the United Nations, by providing political and financial commitments to bold measures consistent with international human rights law, the Agenda 2030 for Sustainable Development, the Financing for Development Outcomes, the Beijing Declaration and Platform for Action, and the Paris Climate Agreement.





G20 Responses and Continuing Commitments: An Unfinished Agenda

Initial Response to the Crisis

While the initial set of measures agreed on April 15 by the G20 Finance Ministers and Central Bank Governors¹ might be going in the right direction, the overall response remains largely inadequate to confront the depth of the crisis and fails to meet people's expectations in providing effective leadership and guidance towards robust economic and social recovery. More articulate and ambitious responses are required, including structural systemic reform as advocated in our past recommendations.

Fiscal Transparency, Illicit Financial Flows, Taxation and Inequality

The G20 have committed to enhancing transparency as a tool in the fight against illicit financial flows, by: (i) advancing beneficial ownership transparency of legal persons and trusts; (ii) implementing automatic exchanges of information, and (iii) considering defensive measures against jurisdictions that do not comply with international standards on tax transparency. The G20 have committed to addressing the taxation of the digital economy, to working for a globally fair and modern international tax system and supporting developing countries in building their tax capacity.

1. G20 G20 Finance Ministers and Central Bank Governors Meeting's Communique, April 2020, g20.org/en/media/Documents/G20_FMCBG_ Communiqu%C3%A9_EN%20(2).pdf

Financial Regulation, Financial Inclusion and Debt

The G20's 2008 promises to ensure effective regulation of the whole of the financial sector have not been fulfilled. G20 Summit commitments include regulating too big to fail banks and addressing the risks from shadow banking and derivatives markets so that they cannot disrupt the financial system. To avoid over-indebtedness, the G20 has adopted the Operational Guidelines for Sustainable Financing. These commit G20 lenders to share more information with the IMF, but not media, parliaments, and civil society. In 2020, the G20 discussed measures to enhance debt transparency and ensure debt sustainability.

Global Solidarity and Effective Aid

In 2009, the G20 promised to increase aid to support social protection and promote development in low income countries by investing in food security and through voluntary bilateral contributions to the World Bank's Vulnerability Framework. In 2020, the G20 has not yet made any bilateral or voluntary commitments towards the fight on the Pandemic in the developing world. All efforts have been delegated to the IMF and World Bank Group, despite their history of interventions that contributed to the poor state of public services in the developing world.



On-going Challenges: Urgent Action Needed

The crisis found fertile ground in the unfinished systemic reforms as well as in the ongoing promotion of ineffective solutions to systemic problems.

Fiscal Transparency, Illicit Financial Flows, Taxation and Inequality

Tax havens, especially major financial centres, continue to offer secrecy provisions and are not being compelled to improve towards automatic exchange of information, beneficial ownership registration and country-by-country reporting (the ABC of fiscal transparency). The international financial and tax systems, including conduit countries, have failed to solve the increasing inequality between countries and within countries, with special impact on gender inequalities. Digitalisation has exacerbated the fundamental flaws of the international tax regime, further facilitating tax avoidance by multinationals. The proposals resulting from the BEPS Reports have patched up existing rules but have not ensured that multinationals will be taxed 'where economic activities occur and value is created'. The urgent need for a truly universal intergovernmental space, where all countries can agree on how to rethink and reform tax systems, continues to find the complete opposition by developed countries, including many G20 members.

Financial Regulation and Financial Inclusion and Debt

The past weeks have exposed the worrisome combination of supply and demand shocks, with sudden drop in commodity prices and the blatant failure of global value chains. Furthermore, the COVID-19 pandemic is triggering rapid capital outflows and currency depreciation in Emerging Market Economies (EMEs) and other developing countries, thereby enhancing financial market volatility, and a sharp increase in credit spreads and debt burdens. EMEs are thereby exposed to substantial swings in capital inflows and are facing significant rollover risks and higher cost of refinancing foreign currency debt. This might further complicate debt restructuring attempts given the growing number of countries in distress. Hence, there is an urgent need to regulate volatile capital flows, including both inflows and outflows. In this respect, it must be noted that the finance sector is far bigger and more interconnected today than it was before the last financial crisis, with a significant rise of the asset management industry in the absence of adequate regulation. Hyper-financialization of the global economy has continued to advance, while the financial needs of developing countries remained unanswered. Not only these dynamics augmented inequalities, including the structural limitations in gaining access to finance by women. indigenous peoples and many vulnerable segments of the population. They also magnified speculative flows that are now triggering increased financial risks, financial market volatility and liquidity shortages - for which central banks needed to intervene with billions of dollars. The resulting downward economic pressures will deepen the COVID-19 crisis. Overall, finance continues to evolve in directions not consistent with the sustainable development imperatives for people and planet. Regulation and international standards have failed to steer finance to support the climate and SDG commitments and the G20 has left a comprehensive sustainable finance strategy off its agenda.





Global Solidarity and Effective Aid

The current pandemic underscores the need for global solidarity and cooperation, rather than competition, especially in supporting developing countries in the current struggle to confront the crisis. Failure to generate additional resources for countries most in need will only prolong the recovery period. Aid in this regard remains critical. The G20 must stay true to their commitment to achieve the 0.7% GNI for ODA and help developing countries directly respond to the impacts of the disease as well as the root causes of poverty and marginalization.

2. United Nations Conference on Trade and Development (UNCTAD)'s Report «The Covid-10 Shock to Developing Countries», March 2020, <u>unctad.org/en/pages/</u> <u>newsdetails.aspx?OriginalVersionID=2315</u> **B. C20 Finance Track Compendium** International Financial Architecture



Recommendations for Shortterm Measures:

The crisis requires an ambitious package of short-term responses and civil society supports the call by UNCTAD for a composite 2.5trillion package of measures.² We therefore advance the following proposals:

- **A.** Cancelling debt payments is the fastest way to keep money in countries and free up resources to tackle the urgent health, social and economic crises resulting from the Covid-19 pandemic. While appreciating the initial steps undertaken by G20, we urgently call for the cancellation of all external debt payments due to be made in 2020 and 2021, including middle income countries, in the face of a global recession with no precedents. All principal, interest and charges on sovereign external debt due in 2020 and 2021 should be cancelled immediately and permanently, and should therefore not accrue into the future. The proposed debt relief should involve official bilateral, multilateral banks (both global and regional ones) and private creditors. All debt relief should be designed without economic reform conditionalities attached, while ensuring funds and public expenditure are targeted at protecting the rights and needs of populations, especially to maintain and increase social protection and health spending for those most in need in response to the crisis. The provision of emergency additional finance should not create additional debt:
- **B.** The G20 should support action by any indebted developing country to stop making payments on debt to private external lenders and investors who are unresponsive to debt relief calls and proposals. Over the last years, private

investors and investment fund managers have been increasingly taken higher risks by buying Emerging Markets and "frontier" countries' bonds, as the IMF (Financial Stability Reports, 2019)³ has warned. Now these private bond holders are unwilling to absorb the financial risks they willingly took. As an urgent first step, we call on G20 countries to engage with these private lenders and investors in their constituency and persuade them to cancel at least any debt servicing or coupon payments of developing country debt due for 2020 and 2021, to allow recovery;

- **C.** Some large private bondholders are big asset managers and private financial institutions that are either getting direct financial support from G20 central banks or involved in managing relief and recovery packages by Central Banks and other public authorities. In such instances. we urge G20 Governments and Central Banks to make financial support and partnerships with such private entities, including the Institute for International Finance (IIF) that partners with the Saudi Arabia Presidency, conditional and explicit on their participation in standstills and debt relief, based on debt sustainability assessments. It must also be noted that the weight of the EM bond market and investment funds also puts global financial stability at risk;
- D. The G20 should call for the establishment of legislation in key jurisdictions governing sovereign bond contracts, namely the UK and the State of New York, to prevent litigation by creditors

against countries suspending debt payments to prioritise COVID-19 measures, and in particular countries requesting suspension of official payments under the G20 DSSI. To prevent holdout behaviour by bondholders, these jurisdictions should also introduce legislation to ensure an agreement to restructure by a super-majority of bondholders is binding on all bondholders. Furthermore, G20 Governments need to go beyond encouragement of voluntary and ad hoc debt relief by private bond holders, and support and participate in the renewal of discussions in the UN system to design a global solution, and a permanent structure, to resolve over-indebtedness and repayment problems through adequate debt restructuring mechanisms, based on debt sustainability assessments that consider the impacts of SDG and climate financing requirements (see debt section);

- E. G20 countries, as well as other countries, should impose an immediate moratorium on the use by private investors of any investor-state dispute settlement (ISDS) mechanism included in trade and investment agreements or other courts. In addition, a permanent restriction needs to be imposed on arbitration claims against governmental measures taken to deal with COVID-19 prevention and emergency measures;
- **F.** The G20 should ensure that emergency financing does not further compound debt vulnerabilities and is provided as grant-financing. It is therefore critical to scale-up ODA commitment, expand eligibility criteria for concessional lending by international financial institutions and ensure that decisions on emergency financing are free from geopolitical considerations. It is also essential that any fiscal stimulus packages are designed to (1) strengthen public systems, particularly health, education and social protection,

^{3.} Global Financial Stability Report - IMF 2019, <u>www.imf.org/</u> en/Publications/GFSR/Issues/201901/10//global-financialstability-report-october-2019

(2) increase levels of employment with all necessary labour safeguard requirements to ensure decent work, and 3) support a just transition to tackle the climate challenge;

- G. G20 countries should suspend current OECD BEPS negotiations on taxing of digital economy as the process risks producing outcomes that would be irrelevant to developing country contexts, particularly in the face of the current unprecedented crisis. The economic disruptions induced by the COVID-19 crisis is hitting developing countries and marginalised sections of society hardest. It is crucial that developing countries have the fiscal space to respond the soonest possible, specially targeting those sectors that will see a surge in activity while remaining largely undertaxed for decades, like highly digitalized businesses;
- H. While BEPS process is put on pause, the G20 should agree on temporary moves to adopt national legislations to tax digital activities within their territory without trade sanctions by headquartered countries. This is a temporary solution until a longer agreement to redesign the international tax system is adopted: it is time for G20 to back a truly multilateral process at the UN to comprehensively address tax havens and illicit financial flows including tax avoidance by multinational corporations;
- G20 countries should commit a moratorium on trade sanctions as a response to national tax measures for the time of the pandemic and the recovery phase in order to protect economic growth and fiscal stability of affected countries;
- J. The economic recovery phase should be anchored in a strengthened global movement to support developing countries to recover from collapse in tax revenues, in a way that will not

amplify poverty and inequality. G20 countries should mandate the adoption of a broader Domestic Resource Mobilization (DRM) new deal, under the UN leadership and involving other global institutions as well as regional bodies, with a combination of policy reforms, capacity building and political empowerment. Such a DRM new deal would combine consensus on emergency solutions targeting stock of wealth and extraordinary corporate profits with an agreement to avoid an acceleration of the race to the bottom either by cutting marginal taxes (on top personal incomes or corporate profits) or emerging new tax incentives without responsible conditions;

- K. Financial support measures and the exit path out of the crisis require a global consensus that avoids imposing accelerated fiscal consolidations and austerity measures, especially for developing countries. All measures need to refrain from conditioning short-term policies choices that may cause more harm in the medium-term;
- L. The G20 needs to accelerate the process of a new allocation of Special Drawing Rights, commensurate with the level of need among developing countries. This should be accompanied by the creation of a mechanism (i.e. a Trust Fund) that allows the temporary transfer of unused SDRs from developed economies to countries in need or by temporary policies that allow lending quota limits to be exceeded by countries most in need;
- M. The G20 should encourage the IMF to establish a swap-type facility, using the IMF's hard-currency resources, to complement existing swap lines among major economies and provide emergency financial support to emerging and developing countries;
- N. The G20 should accept the importance of, and the use of, capital account



management to prevent excessive speculative capital inflows, capital flight and currency depreciation. In addition, it is essential to limit speculative trading and passive investment to stop herdlike behaviour that results in declines in currency and asset prices. The G20 should also urge the IMF to support central banks of developing countries to avoid subsidiaries of global banks in their country withdraw reserves and capital, as took place in 20082009-. Over the longer term, the G20 should promote, both within the United Nations and the Bretton Woods Institutions, a new global consensus for countries to apply smart capital controls, with flexibility for each member state, with the particular aim of allowing developing countries to protect themselves against central banks and financial market behaviour out of their control. In this context, the G20 should invite the OECD to stop demanding more countries to adhere to the Code of Liberalisation of Capital Movements;

- **O.** The G20 should promote a global ban on short selling among all financial markets and algorithm based automated trading. To ensure financing is available to those most in need, we further call on the G20 to promote 'only essential trading' and halt, or impose punitive taxes on, high frequency trading, day trading, speculative hedge funds strategies and speculative financial products such as betting on volatility. G20 countries should ban capital flows to tax havens. These interventions would prevent instability and redirect crucial funds to the profits of the very few. In addition, a financial transaction tax should be immediately imposed on all speculative financial trading, which would avoid financial market volatility and instability as well as profits made by socially useless speculation (e.g. by hedge funds);
- P. Financial market and bank regulations

that are being relaxed in response to COVID-19 should still have clear, strict conditions to be held accountable to, even during an emergency. For instance, relaxed regulations should only apply to those banks that will not distribute dividends based on their profits of last year and in 2020, nor pay back shares, and do not award bonuses, requiring a retaining of profits to strengthen buffers. Financial and central bank rescue packages should be conditioned to prevent financing of environmentally, climate and socially harmful activities;

- O. The COVID-19 measures will have an impact that increases the existing inequality based on a rentier economy. Many wealth asset and company owners have safeguarded their wealth and their volatile investments have been supported by central bank liquidity provisions. Governments should not foot the bill for a financial system that rewarded the rich through share buy-backs while not increasing wages and avoiding taxes. The COVID-19 stimulus packages should be accompanied by a prohibition of share buy backs and bonuses, as well as an extra tax on wealthy individuals, on companies that are paying dividends in 2020 and 2021, and on companies that are profiting extra-ordinarily from the COVID-19 situation;
- **R.** The G20 should also promote adequate regulation of credit rating agencies to avoid the possible downgrading of developing countries in debt distress and/ or engaged in debt restructuring process induced by the COVID-19 crisis;
- **S.** Since the 2008 financial crisis, mergers and acquisitions have been the norm in the business world, concentrating capital, consolidating sectors and fostering inequality. It is therefore essential that, in this conjuncture, the G20 establishes effective measures to prevent predatory mergers.



Recommendations for Systemic Structural Reforms

International Economic Reconstruction and Systemic Reform Summit

The scope and gravity of the situation therefore requires an ambitious multi-lateral response under the auspices, leadership and coordination of the United Nations. The G20 should promote and support an ambitious UN-centred process leading to an International Economic Reconstruction and Systemic Reform Summit under the aegis of the United Nations, either later this year or in early 2021, depending on when circumstances may allow it. This would be coherent with the role of the Financing for Development (FfD) process, in the true spirit of Monterrey⁴, and the urgent call by the UN Secretary General to move beyond "usual tools"5.

Fiscal Transparency, Taxation, Illicit Financial Flows, and Inequality

G20 Countries should commit to achieving comprehensive taxation reforms fit for the 21st century to ensure all companies and high-net worth individuals pay due taxes, not just a patch-up applied to a few large highly digitalised multinationals, including by:



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- 4. Monterrey Consensus on Financing for Development, United Nations 2002. <u>www.un.org/en/development/</u> <u>desa/population/migration/generalassembly/docs/</u> <u>globalcompact/A_CONF.198_11.pdf</u>
- 5. UN Secretary General Message to G20 Leaders, March 2020, www.un.org/en/un-coronavirus-communicationsteam/above-all-human-crisis-calls-solidarity

- A. Endorsing developing countries' proposal to establish a universal, intergovernmental tax commission under the auspices of the United Nations (UN) to ensure all countries, including developing countries, are at the table to comprehensively review the current international tax system AND negotiate international tax standards on truly equal footing. A universal UN intergovernmental tax commission should then negotiate a comprehensive UN multilateral tax convention, a recommendation that has already been called by many developing countries at the UN. Anchoring this process in the UN is crucial to ensure that international tax discussions are in line with global commitments to uphold human rights, gender equality and all dimensions of sustainable development, including the commitments in the Paris Agreement;
- B. Developing a new definition for taxable presence based on significant economic presence combined with a holistic approach in attributing profits to relevant jurisdictions to consider the combined contributions of all the affiliates of a multinational enterprise within each jurisdiction;
- **C.** Agreeing principles for allocation that would be (i) fair, by balancing production and consumption factors, and (ii) easy to administer, reducing compliance costs for both taxpayers and tax administration and providing certainty for business;
- **D.** Undertaking spill-over analyses, where they assess the tax impact of their own tax system and bilateral tax treaties in relation to other countries, especially developing countries.
- E. Undertaking gender analysis of tax measures and addressing gender gaps;

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- F. Developing a global asset registry to allow for measuring inequality, identifying illicit financial flows (people who cannot justify the origin of their wealth), and applying wealth taxes, if applicable;
- **G.** Reviewing the relevance of the OECD's Common Reporting Standard for Automatic Exchange of Information⁶ for developing countries and commit to including non-reciprocal exchanges with developing countries during a transition period. In addition, to publish statistics on the total values of deposits held in their territories by jurisdiction of origin of the account holders (at the legal and beneficial ownership level of the account holder);
- H. Establishing beneficial ownership registries for all legal vehicles (e.g., companies, partnerships, trusts, foundations) to be publicly accessible online and for free, in an open data format, and to ensure that registered information will be verified;
- I. Publishing country-by-country reports of all multinational enterprises headquartered in their territories to be publicly accessible online and for free, in an open data format.



6. OECD Standard for Automatic Exchange of Financial Information in Tax Matters, OECD 2018, www.oecd.org/tax/exchange-of-tax-information/ implementation-handbook-standard-for-automaticexchange-of-financial-information-in-tax-matters.pdf

Financial Regulation and Financial Inclusion

As a self-proclaimed guardian of global financial stability, the G20 needs to reaffirm the importance of multilateralism and a new strategy of global cooperation to tackle the current multilayer crisis and the financial stability risks that it entails. In addition, it should promote ambitious financial reforms to ensure that the banking sector and all other financial players, and the financial system as a whole, are brought back to proper democratic accountability to support sustainable societies and real economies, and adapt to developing countries' financial priorities, including the 2030 Agenda and the Paris Agreement. The G20 can agree on particular measures thereto, including:

- A. Abstaining from unilateral deregulation measures and urgently further regulate Systemically Important Financial Institutions (SIFIs) to reduce their size, interconnectedness and complexity;
- B. Undertake measures against new systemic threats and financial risks by strictly monitoring, regulating, supervising and limiting renewed expansion of securitization and derivatives trading, unregulated shadow banking, investment fund industry and asset management, concentration of credit rating agencies and the rapid development of fintech. In addition, ensuring that entities that issue, trade or exchange crypto-currencies (e.g. bitcoins) are regulated and supervised to prevent money laundering, e.g. by identifying the beneficial owners of such cryptocurrencies:
- **C.** Addressing volatile financial outflows that negatively affect currencies of emerging and developing countries, by coordinated and effective capital flow management by central banks, flexible interpretation



of the IMF's institutional view on capital flow management to adapt to external circumstances and discourage 'hot' inflows before crises occur, and revise articles in trade and investment treaties that forbid a flexible management of capital flows;

- D. Reversing the financial exclusion of nonprofit organisations (NPOs) due to risk and cost aversion by banks in complying with anti-money laundering and counterterrorism financing (AML-CTF) laws and regulations, by effective steps by G20 states in collaboration with the Financial Action Task Force (FATF), the Global Partnership for Financial Inclusion (GPFI), the World Bank, and NPOs; resulting in robust sectoral Risk Assessments that lead to targeted, proportionate and effective measures which do not hamper legitimate charitable activity in any way;
- E. Agreeing on coordinated measures and international standards that prudently direct financial flows to support the Paris Agreement, achieving the Sustainable Development Goals (SDGs) and promoting inclusive 'pro-poverty eradication' economic development, amongst others, by:

7. The FSB Task Force on Climate-related Financial Disclosures (TCFD), 2017 www.fsb-tcfd.org/publications/ **B. C20 Finance Track Compendium** International Financial Architecture



- Designing and implementing policies. laws, regulations, supervision and international standards to re-orient investment and loans to socially and environmentally beneficial activities and companies;
- Introducing a legally binding duty on investors and banks to incorporate social and environmental impact in their risk assessments and investment decisions which would result in measures taken to prevent harmful impacts. Such an impact assessment duty should also apply to central bank monetary policy;
- Ensuring that all large companies report at least according to the Financial Stability Board's initiated climate-related financial disclosures (TCFD)7;
- Introducing national and multijurisdictional International Solidarity Levy, wealth taxes, Financial Transactions Taxes (FTTs) and Solidarity Levy on Air Tickets, to finance SDG implementation and reduce the speculative nature and high frequency trading of financial assets (applying progressively larger levies depending on price volatility);
- F. Agreeing on standards that promote a more diverse banking system in all countries, including state-owned and development banks at the regional and local levels, as well as cooperatives, savings and ethical banks and non-profit institutions. The banking system should address the gender gaps in women's financial inclusion, and ensure finance to rural economy, small and medium enterprises, non-formal sector and poor people at large;
- G. G20 Finance Ministers should avoid privileged dialogues with the B20 and should rather consult with a broader range of stakeholders, including the C20, in pursuit of the public interest in the financial architecture and discussions to reform it.



Debt

Many countries were in debt crisis before the COVID-19 crisis began. Many more will emerge from this crisis with even higher unsustainable debts. Immediate cancellation of debt payments should therefore be linked to a more comprehensive and long-term approach to debt crisis resolution. To make debt restructuring more efficient, equitable and successful we call for:

- The G20 to work with other stakeholders, including civil society, within the framework of the United Nations on a Global Consensus on Responsible Lending and Borrowing;
- The G20 to promote and support the creation through the United Nations of a systematic, comprehensive and enforceable process for sovereign debt restructurings to ensure timely and orderly debt crisis resolution and comprehensive creditor coordination as well as to prevent negative fiscal and social impacts of protracted debt crises;
- The G20 should invite the IMF to introduce clear guidelines on when a debt is unsustainable and follow its policy only to lend to countries with unsustainable debts if there is a default or debt restructuring. The G20 should also push for further improvement in standard approaches to debt sustainability assessments (IMF-WB LIC DSF and MAC DSA), including through consideration of Agenda 2030 financing requirements and human rights obligations, and ensure a widened focus to better capture contingent liabilities, private external debt, domestic debt and state owned enterprise debt. Such debt sustainability assessments have to be used by underwriters of government bond issuing and investors in government bonds;
- Transparency of official debt needs to be improved by all actors involved. All loans to governments (of any income level), or with government guarantees, should be publicly disclosed before and when they are given. In this respect, the G20 should ensure that a publicly accessible registry of loan and debt data is created and housed in a permanent institution, with the required ongoing funding. Civil society, parliaments and media should be consulted on its construction so that the data is open, standardised and structured, and therefore readily usable. Information should be made available in English and the main language of the borrowing country concerned. G20 Governments should commit to disclosing all loan details and pass legislation in all relevant legislatures, to require all lenders to equally disclose loans to governments in this registry;
- Private investors, lenders, investment banks (underwriters), bond holders and asset managers should all have a due diligence responsibility not to lend or buy bonds that creates excessive governmental and corporate debt by using official debt sustainability and SDG financing assessments. Debt relief by official lenders should be accompanied by compulsory measures to ensure that the private sector offers similar debt relief and is not repaid by official debt relief funds. The bond contract laws, especially in the UK and in the State of New York, should be adjusted to avoid bond holders can circumvent collective action clauses (e.g. vulture funds, investment funds) and go to court when not agreeing with the majority to restructure debt.

General Information

The Civil Society 20 Engagement Group (C20) is an open global community of 750+ civil society organizations from all corners of the world, channeling the voice of civil society into the G20 process since 2013. The C20 organizes itself around the C20 Principles, with a structure that includes: a Steering Committee (including Troika members, Chair, and Co-Chair), an International Advisory Committee, 2 Co-Sherpas, 11 Working Groups, and a dedicated C20 Secretariat. This year's C20 leadership represents the most diverse structure to date, representing 15 nationalities from around the globe and members from more than 80 countries.

Steering Committee Members



Nouf bint Muhammed Chair King Khalid Foundation



Dania Al Maeena Co-Chair Al Oula



Stefania Burbo Global Call to Action Against Poverty – Italy



Riccardo Moro Global Call to Action Against Poverty – Italy



Masaki Inaba Japan Civil Society Network on SDGs



Harsh Jailti Voluntary Action Network India



Jürgen Maier German NGO Forum on Environment and Development



Petter Matthews CoST – the Infrastructure Transparency Initiative



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Blair Glencorse Accountability Lab **International Lead**



Saleh Al-Sheniefi Saafah Foundation Local Lead

Education



Paola Berbeglia **CONCORD** Europe International Lead



Sara Almuhaidib Almuhaidib Social Foundation Local Lead



Climate, Energy & Sustainability



Enrique Konstantinidis Climate Action Network International Lead



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