

The Urgent Need for Better International Cooperation

Conclusion of the Civil20 Summit, Hamburg, 19 June 2017

Over 300 civil society organizations from all regions of the world came together on 18-19 June 2017 at HafenCity University in Hamburg, Germany to advise the governments of the Group of 20 (G20) nations on how to achieve “the world we want.” It is clear to all of us that the challenges are enormous and our global economic system is on the wrong track. The world has never seen such massive inequality: eight super-rich individuals now own as much wealth as the bottom half of the world’s population. The gap between rich and poor is widening in most countries around the globe. This is also reflected in the persistent gender inequalities.

Without important policy changes, the 2030 Agenda and its Sustainable Development Goals (SDGs) that the world’s heads of state and government adopted only two years ago at the United Nations will not be achieved. The world also remains vulnerable to new economic crises and environmental degradation. Moreover, unless governments commit themselves to social security systems and widespread job creation efforts, digitalization and automation will increase unemployment, potentially leading to lower wages, eroding labor rights and political instability. Bold actions are needed by all governments, especially by those meeting at the G20 Summit next month. The principle of “Leave No One Behind” means affirmative action for the poor, disadvantaged, discriminated, excluded persons and countries. It also means adjusting trade, fiscal, energy, climate, agricultural and other policies accordingly.

The recent announcement by the US Government to step out of the Paris Climate Agreement was not only rejected by the global civil society but by many states, cities and companies - in the US and worldwide. The global climate crisis represents one of the largest risks to sustainable development, gender equality, inclusiveness, equitable economic growth, and financial stability, and even survival itself for the most vulnerable. A just transition and cooperation for a sustainable future can boost economic development, create jobs, improve productivity, and reduce inequalities. We expect the remaining 19 members of the G20 to reaffirm their unfaltering commitment to comprehensive and concrete implementation measures of the Paris Agreement.

Just a few weeks ago, the G20 and other governments met at the UN Financing for Development Forum and agreed that the “current global trajectory will not deliver the goal of eradicating poverty by 2030.” We need to take immediate steps toward more effective and progressive tax policies and better tax administration, including deeper international cooperation to boost tax collection and curtail illicit financial flows. These steps, coupled with honoring commitments on official development assistance, are needed to mobilize the necessary funds to attain the Sustainable Development Goals.

The world remains excessively vulnerable to financial crisis as the financial sector and its institutions have grown. Today, instead of improving financial regulation (which was one original reason to upgrade the G20 to Summit level), there is the prospect of unraveling regulation standards. Moreover, the absence of an internationally agreed mechanism for fair, transparent and effective restructuring of external sovereign debts is worrying, as the IMF judges more and more developing countries as being at increased risk of debt distress.

While the 2030 Agenda to achieve the SDGs requires large-scale and long-term investment, including in infrastructure, we are concerned that the G20 governments are primarily looking to for-profit investors to provide the bulk of the financing. We fear that the proposed terms of the investments, especially public private partnerships (PPPs), may significantly handicap governments' capacity to protect the public interest. We call for responsible and transparent deliberation on appropriate risk sharing before unwarranted standardized PPP contractual provisions are adopted.

Many of the recent global health gains will be at risk if the world's largest economies do not strengthen and better fund the multilateral health organizations and health systems. The consequences of inadequate preparedness to tackle outbreaks and antimicrobial resistance will not respect borders and will put global health at risk. Similarly, we recognize the importance of education to eradicate poverty, requiring the G20 to provide scaled up financial and political support for inclusive and equitable quality education.

In sum, we need a radical transformation of the present neoliberal economic system by:

- No longer treating the environment, oceans and the atmosphere as though they were limitless sinks for pollution and greenhouse gases (GHGs),
- Regulating financial markets so that they are no longer a casino of speculation but serve the needs of the real economy,
- Strengthen public investment and social welfare by no longer tolerating a system of tax evasion and avoidance by multinational corporations and super-rich individuals, while encouraging progressive tax policies,
- Implementing rapidly the Paris Agreement by ambitious long term climate strategies, phasing out fossil fuel subsidies, setting effective and fair carbon price signals, shifting the finance flows to promote transformation and resilience as well as sticking to the promises to ramp up climate financing,
- Reforming trade agreements so that they facilitate fair trade in goods and services, benefiting the many rather than the few, and cancel provisions deregulating economies, securing intellectual property rights, liberalizing procurement, and shifting rights and wealth from states to investors,
- Ending the imposition of austerity policies and encouraging public budgets that promote development, poverty eradication and social justice, and
- Regulating labor markets in ways that secure working people's rights to decent work and a living wage.

We therefore urge the G20 leaders to take bold steps to fundamentally re-design the present global financial and economic system so that it respects human rights and serves the people and the planet.

For our detailed C20 Recommendations, please refer to the [seven policy briefs](#).



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Civil20

Recommendations to the G20

Globalization – There are a Thousand Alternatives

Any sober assessment shows that globalization, as we see it today, is not well managed or even headed in the right direction. Its design is flawed; it is in crisis mode. The world has never seen such massive inequality: eight super-rich individuals now own as much wealth as half of the world's population. The gap between rich and poor is widening in most countries around the globe. This is also reflected in the persistent gender inequalities. Corporations are not properly regulated. More and more people feel excluded from the benefits of economic globalization. They see government saving banks with many billions of euros and dollars, yet they have continuously less money for the concerns of ordinary people. Rural areas, whole regions and countries are losing out. The ecological crisis is getting worse – this global economy is destroying the planet. As a consequence of all that, trust in institutions and politicians in most democratic countries is eroding. Increasingly, people feel their interests are not represented. Democratic rights are under pressure in more and more countries, including those of the G20. The space of civil society is shrinking.

So we say: we need change. The neoliberal design of globalization is flawed, and the G20 leaders have a responsibility to re-design it. The German G20 agenda shows they see many problems. Yet, at the same time they promise “business as usual” in their inherently unsustainable economic policies. This cannot work over in the long term. Citizens in many countries are turning to autocratic leaders to express discontent, yet they are unaware that these leaders would double down on the dangerous aspects of globalization. The ranks of the disenfranchised could grow. Effective international cooperation, not nationalism, is needed. After 35 years of neoliberalism as the general paradigm of a wild globalization, we say: it is time for reassessment.

Alternatives abound. Governments signed onto one: The 2015 UN Agenda 2030 sets the path towards inclusive social and sustainable development for the world, leaving no-one behind. Its 17 Sustainable Development Goals can be achieved by the year 2030 – if the world works for them and if the necessary policy changes are adopted. But, at their 2016 G20 Summit, the G20's Action Plan on the 2030 Agenda shows that most G20 nations take a haphazard approach to implementing the 2030 Agenda domestically. Meanwhile, the G20 asserts that its own 15 Sustainable Development Sectors will achieve many of the goals of the 2030 Agenda, but without describing how this will be possible.

The Civil20 have therefore developed policy recommendations to the G20. Now it is up to these 19 governments, as well as the EU, to build an environmentally and socially fair globalization.

Civil20 Steering Committee

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Agriculture and Food Security

Sustainable food and nutrition security for all – Focus on small scale farmers and reorientation of agriculture

The G20 in Hangzhou, 2016, is committed to “promote sustainable agriculture and rural development, improve global food security and nutrition for all people, in particular the poor and people in vulnerable groups, tackle the issue of food price volatility, and reduce food loss and waste throughout food value chains”. They also published the Food Security and Nutrition Framework which outlines objectives of the G20 “on the same”. As a group of civil society organisations working towards improving agriculture, realizing the right to food and nutrition security, and achieving the SDGs, we assert that achieving these ambitious commitments requires a farmer centred approach, attention to maintaining ecological integrity of food production systems, and robust regulation of agri-business.

Agriculture must focus on farmers, not on industrialized farming systems. Agriculture must strengthen local economy and local ownership. Although small-scale farmers feed the vast majority of the world’s population, in many places they are highly vulnerable to extreme poverty, chronic hunger and malnutrition in many places. Lacking land tenure security, their primary asset and security, their land is becoming increasingly vulnerable to land grabbing. Globalized markets and price competition by global agribusiness, food speculation and a vicious circle of debt are important threats to rural livelihoods which results in people leaving their rural homes in search of better opportunities in the cities. Global fish stocks are under pressure from expanding fisheries, the reduction and pollution of marine habitats.

C20 Recommendations:

- ▶ **Agriculture, family farming and fishing must become an attractive economic prospect again.** This requires, for instance, a re-examination of trade and investment agreements aiming at de-globalizing agricultural markets for most products. Fair trade must be promoted as best practice for providing greater equity in international trade and empowering small scale farmers and marginalised workers.
- ▶ **The role of agriculture must go beyond food production towards improving the availability, affordability and consumption of diverse, safe, and nutritious foods for healthy diets for all.** Resource allocation, research and development by and with farmers need to be increased for nutrition sensitive agriculture. In addition, vulnerable groups such as women and small-scale farmers should be provided greater access to resources, subsidies, and technical assistance to boost nutrition through adequate and diverse food production alongside while strengthening their resilience.
- ▶ **We call on the G20 to respect, support and build on existing bodies and decisions,** especially the Committee on World Food Security and its decisions (e.g. the Voluntary Guidelines on the right to food, land tenure, forest and fishery, principles for responsible agricultural investment etc.).
- ▶ **The G20 should establish monitoring and assessing systems to track the social and environmental impacts of large-scale agricultural investment** (especially in low income countries) supported by G20, and enact binding international criteria which are consistent with VGGT, RA , PRA .

Agriculture must work towards conserving the planet's ecosystems. Unsustainable farming systems of any size contribute significantly to biodiversity loss, the destruction of ecosystems, pollution and the overuse of water. Large scale food crop monocultures use up to ten times more water than biodiverse agricultural systems must be avoided.

C20 Recommendations:

- ▶ We ask the G20 to take responsibility for the sustainable use of water in agriculture including preserving healthy water ecosystems and guaranteeing the human right to water. The overuse of water by large-scale agriculture can negatively affect the water requirements of small-scale food producers in subsistence agriculture or for local markets. We call on the G20 to work towards recognizing customary forms of water management.
- ▶ Farmers groups around the world are fighting for food sovereignty to keep control over land and seeds and to use low-cost, environmentally friendly techniques to feed local communities. This is crucial to make the Convention on Biological Diversity's Strategic Plan for Biodiversity 2011-2020 succeed.
- ▶ There is a growing demand amongst consumers for local, organic, and fair food produced without exploiting animals, environment and workers. Huge agricultural subsidies benefit large agribusiness corporations, mass animal factories, and exporters to open up overseas markets and destroy agricultural livelihoods. We call on the G20 to phase-out harmful agricultural subsidies and create a level playing field for sustainable agricultural practices.
- ▶ Harmful subsidies to the fishing sector and the widespread practice of illegal, unreported and unregulated (IUU) fishing are drivers of overfishing. We call on the G20 to remove these subsidies and combat IUU fishing by increasing supply chain traceability, accountability, and enforcement.
- ▶ We request the G20 to support and invest in participatory land use planning at landscape scale as a necessary pre-condition for sustainable agricultural production.

We ask the G20 to take measurable steps to prevent the concentration of power in a handful of global agribusiness corporations which has become a threat to farmers and breeders, consumers and the environment alike. There is the risk that certain new technologies will further consolidate industrial agriculture dominance and delay the inevitable shift to a fundamentally different model of agriculture whether the starting point be industrial agriculture or small-scale farming.

C20 Recommendations:

- ▶ We call upon the G20 to reinstate a functioning market in seeds by taking adequate antitrust measures against the seed oligopoly and abolishing any law or trade agreement criminalizing the free exchange of seeds by farmers.
- ▶ We call on the G20 to reframe their focus on digitalisation and agriculture and shift focus on small-scale farmers and a transition to diversified agro-ecological systems.



Environment and Water

The G20 has committed itself to implement the 2030 Agenda for Sustainable Development and build an inclusive and sustainable future for all. The obligation of governments to sustainably ensure the human rights to water and sanitation for all without discrimination must be the driving force behind the implementation of the Sustainable Development Agenda.

Water and sanitation are human rights. While the fundamental role of water as a human need and a human right has been acknowledged by the UN and member states, strategies to secure this human right too often face conflicts with interests and actions competing for the same resource. We are approaching a global tipping point in the hydrosphere where the biocultural sustainability of water resources is threatened by the cumulative and synergistic impacts of over-extraction and pollution. Achieving long-term sustainability of our hydrosphere requires re-embedding social, cultural, and environmental needs. This counts within and throughout local, regional and global structures that plan, finance, develop, manage and use our world's water. A rights-based approach is the best way to ensure that a pro-poor and global justice perspective predominates, with regards to access, use and control of water resources. Access to water and sanitation is the start of economic and social development, food and nutrition security.

C20 Recommendations:

- ▶ We call upon the G20 to promote an integrated planning approach at watershed level prior to investing in large scale infrastructure, in particular hydropower and large-scale irrigation systems. This will ensure that water flow is secured for human consumption, agriculture as well as natural ecosystems and their regenerative role for water supply.
- ▶ We call on the G20 to put water and sanitation central to achieving the SDGs and to set clear measurable (annual) targets to achieve the SDGs by 2030.

No more water grabbing. Beyond the state, a whole array of different actors, both old and new, are involved in the global water grab. These include specialised water-targeted investment funds that seek to profit from the monetarisation of water and its transformation into an economic asset gaining in scarcity value. It also encompasses a whole host of transnational corporations, including large private water companies, agribusinesses and the extractive industries. Water grabbing also involves all those actors whose activities and profits depend on the trade in 'virtual water'. The 'virtual water' concept is used to measure the amount of water that is 'embedded' within the production, processing and trade of commodities. Large-scale hydro- power projects involving the construction of (mega)dams and affecting entire river basis can incur high social and environmental costs including a huge risk of biodiversity loss. New technologies such as hydraulic fracturing or 'fracking' represent a major threat when it comes to water depletion and pollution. Large-scale mining activities often destroy both the physical-hydrological as well as the institutional 'waterscape', altering the courses of rivers and polluting water and soils, as well as transforming existing systems of water rights and responsibilities. Large irrigation schemes in many parts of the world become mechanisms for accumulation by large landholders, while small-scale farmers are dispossessed.

C20 Recommendations:

- ▶ We call for an equitable allocation of water that raises living standards, revives rural communities, and recognizes productive uses of water for livelihoods and the environment, even when these benefits do not have clear monetary valuation.

- ▶ We call on the G20 to reduce its “water footprint” and to put an end to all forms of water grabbing by companies from G20 countries and leave control over ‘local’ water resources to ‘local’ authorities and communities that follow standards of sustainable use.

Water and environment are a public good, not a commodity! A market-based management of water and natural resources, especially the privatization of water and water eco systems and its services with poor sustainability requirements and control mechanisms, jeopardizes the access to water for poor and marginalized groups in many countries. The result is a conversion of the rights of access to and use of water from a public or commons right, monitored or regulated by the state, to a privately owned exclusionary right that is driven by economic profit, rather than human and environmental sustainability. We call on the G20

C20 Recommendations:

- ▶ to ensure that water and water services remain under public and democratic control with public interests and rights, including the need of natural systems for water resources, is held paramount.
- ▶ to protect and restore water catchment forests and wetland areas and to enforce the polluter-pays-principle to ensure the provision of clean water resources.

Marine debris has reached gigantic dimensions around the world. Non-biodegradable plastic remains accumulate in huge garbage patches. Plastic can be detected in almost all marine organisms. It enters human consumption through the food chain. We urge the G20 to:

C20 Recommendations:

- ▶ Commit to the outcome of “The Ocean Conference” (5-9 June 2017, New York) to implement SDG14; and resume the Global Marine Environment Protection (GMEP) Initiative and use it as a platform for exchange of information and best practices in marine protection.
- ▶ Adopt a G20 Action Plan to combat marine litter by going a step further than the G7 by developing a roadmap with concrete and measurable goals for implementation; effective measures to tackle global marine littering by highlighting waste prevention, resource efficiency, precautionary and polluter-pays principles.
- ▶ Not to pursue any **deep sea mining** until significant adverse impacts on marine ecosystems and on communities in developing states can be excluded or effectively minimized.
- ▶ **Resource efficiency:** We welcome the German presidency’s efforts to establish a G20 resource efficiency agenda and urge G20 members to lead the way by committing to establishing ‘cross-sectoral, cross-resource and full-supply chain’ policies and frameworks that incentivise waste reduction and resource efficiency while removing perverse taxes, standards and trade rules that discourage circular approaches.

Illegal wildlife trade represents the fourth-largest illegal trade with a volume of approximately USD 19 billion a year, after drug trafficking, product piracy and human trafficking. Poaching and wildlife crime endanger the conservation of biodiversity, but also threaten the development of the affected countries as well as the safety and well-being of the people living there. The high degree of corruption and lack of transparency associated with the illegal wildlife trade lowers the willingness to invest in supply, transit and consumer countries, thus hindering these countries’ economic development. We call on the G20 to:

C20 Recommendations:

- ▶ Commit to fighting corruption in wildlife crime in the Leaders’ Communique;
- ▶ Through the Anti-Corruption Working Group, support, the establishment of robust corruption risk assessment and management procedures in the wildlife sector, supported by iterative monitoring and evaluation;
- ▶ Encourage financial policy and regulatory bodies, for example the Financial Action Task Force (FATF), to redefine existing principles or guidelines to make more explicit links between wildlife crime and financial crime.



Global Health

The C20 commends the German presidency for placing global health on the agenda of the G20. We urge future presidencies to continue this work.

Today's world is witnessing rising alarm regarding the inability to respond to emerging pandemics and antimicrobial resistance. New tools are needed. However the current commercial research and development system is failing to provide them. We believe that every person has a right to health, requiring a sustainable, equitable and agile global health policy. Health should not be predominantly described as a threat to security and it is much more than crisis management. Health is an outcome of, and a prerequisite for, sustainable development.

We call on the G20 to focus and deliver on antimicrobial resistance; multilateral institutional support; and Health Systems Strengthening and Universal Health Coverage.

Antimicrobial Resistance (AMR)

AMR is a threat to public health, growth and economic stability that requires immediate action. Leaders at the Hangzhou G20 Summit pledged to “unlock R&D into new and existing antimicrobials from a G20 value-added perspective”.

Tuberculosis (TB) is the world's deadliest communicable disease and is the only airborne drug-resistant epidemic, accounting for one-third of all the world's AMR deaths. By 2050, drug-resistant TB will claim an additional 75 million lives at a global economic cost of USD\$ 16.7 trillion. The majority of these deaths (45%) and 62% of global economic loss (USD\$ 10.5 trillion) will fall on G20 countries.

Supporting innovative R&D models for TB that go beyond incentives based on high prices and sales represents an opportunity for the G20 to tackle the broader AMR burden and ensure that health technologies become ‘public goods’, affordable to all in need. Holding clinical trials of combinations of drugs early in the development process will build on existing efforts of grant-funded research in G20 countries and improve cost-effectiveness. Furthermore, the development of a mechanism to develop a TB regimen would have the potential of widespread applicability to address other AMR market failures.

C20 Recommendations:

- ▶ The C20 calls on the G20 to **prioritise TB in the AMR agenda by supporting and funding a mechanism to fast track the development of a new pan-TB treatment regimen and an effective vaccine.**

Multilateral Institutional Support | WHO

The profile of the global health burden; and the frequency and magnitude of humanitarian crises are rapidly changing. WHO and other multilateral institutions such as GAV and UNAIDS, must radically adapt, coordinate and respond to this shifting and escalated need, and leverage lessons learnt from decades of action, including polio eradication.

WHO requires strong core financing for independent activities and be accountable to global health needs. WHO's work is shaped by priorities and practices of its Member States, and the G20 has an opportunity and responsibility to ensure that good practice adopted and disseminated by WHO is of the highest standard. Health interventions in humanitarian crises have increased significantly. Collaboration with WHO and multilateral institutions is essential, considering the diversity of these crises, their complex contexts and needs. This will ensure continuity and quality of care and generate more evidence on effective and cost-effective humanitarian health interventions, in light of environmental changes, state fragility, population mobility, demographic shifts, urbanization, and violent extremism.

C20 Recommendations:

- ▶ The C20 calls on the G20 to support the proposed 10% increase in assessed contributions, as well as the reform and strengthening of WHO, based on global health need.

Health Systems Strengthening | Universal Health Coverage

Ebola and Zika outbreaks have exposed global unpreparedness and the inabilities of under-resourced health systems. Acute crisis management must be coupled with strengthening health systems and universal health coverage (UHC). The promotion of UHC is a precondition and a goal of sustainable development and ensures that quality health interventions are based on sustainable financing, strengthening community based health services, and include all people, in particular those most often left behind.

The meaningful engagement of affected populations is key to attaining the Sustainable Development Goals. The G20 should prioritise the most marginalised and vulnerable populations; particularly those affected by humanitarian crises, through working with proven instruments like the Global Fund. Health areas include maternal and child health; sexual and reproductive health and rights, infectious diseases, including the eradication of polio, PRNDs and NCDs while applying a human rights-based approach.

C20 Recommendations:

- ▶ The C20 calls on the G20 to ensure that effective pandemic emergency preparedness is coupled with resilient national health systems based on universal health coverage (UHC), respecting the 2030 agenda principle to leave no one behind and the needs of the most marginalized and vulnerable populations.



Inequality, Gender and Social Protection

Inequality

It is time for transformative steps to live up to the ambition of “a just, equitable, tolerant, open and socially inclusive world”.¹ We support that G20 governments overcome massive inequality, eradicate poverty, achieve gender equality and leave no one behind as priorities in the G20 Action Plan on the 2030 Agenda.

C20 Recommendations:

On this basis, we call upon G20 governments to

- ▶ Respect, promote and protect universal human rights, be inclusive and accountable and recognise the necessity of **civil society and civic participation** in policy making.
- ▶ Create an inequality index and fulfil the 2030 Agenda **leave no one behind**-imperative. Ensure that the most excluded and marginalised benefit primarily from all G20 actions. To overcome growing inequality, the G20 must provide universal, equitable and inclusive access to services such as health, education, effective use of the internet and protection.
- ▶ Strengthen multilateral initiatives supporting countries to provide quality, inclusive and free for all basic **education** focusing on the most marginalised. The G20 should scale up finances for the Global Partnership for Education (GPE) to \$2 billion annually by 2020 and increase GPE support at its upcoming replenishment. The G20 should fully finance the Education Cannot Wait fund, and support increased education financing through other multilateral finance mechanisms.
- ▶ Ensure that no one is left behind by collecting, processing and utilising **disaggregated data**² to inform needs- and evidence-based policies, by strengthening national statistical capacities and systems, guaranteeing data privacy and protection.
- ▶ Close the gap between rich and poor within and between countries. Halve relative **poverty** while respecting planetary boundaries by 2030 within G20 countries and contribute to poverty eradication in developing countries and those emerging from conflict and crisis with concrete benchmarks and measures.³
- ▶ Ensure **children and youth empowerment** and participation, especially in light of tackling the combination of a demographic dividend and resource scarcity home and abroad.

Gender

Discriminatory social norms and violence undermine the fundamental rights of women and girls globally. Regarding the gender equality and women’s economic empowerment priorities of the 2017 G20, we reiterate the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW), the Cairo Programme of Action, the Beijing Platforms of Action and the Agenda 2030.

C20 Recommendations:

On this basis, we call upon G20 governments to

- ▶ Achieve gender equality via laws and policies tackling violence and discriminatory norms, including [gender mainstreaming](#), [budgeting](#) and [empowerment programmes](#).
- ▶ Fulfil G20's commitment to [reducing the gender gap in employment](#) by 25% by 2025:
 - 1) Invest in equitable, quality education for all women and girls at all levels: through secondary education, technical and vocational training, e-skills, university and skills development;
 - 2) Adopt policies and social protection mechanisms that enable women to enter and thrive in the formal labour market including: parental leave; affordable, accessible care services (child, elder, disability); flexible hours; social security; and basic infrastructure;
 - 3) Ensure decent work: discrimination protections, equal pay, safe working conditions and pensions, particularly in the informal economy.
- ▶ Set and achieve targets on [political empowerment of women and girls](#) including support to foster federations, grass root organisations and movements led by women, girls and youth.
- ▶ Ensure universal access to [sexual and reproductive health and rights for all](#) (including adolescents) without third party consent including comprehensive sexuality education

Social Protection

We fully support the G20 commitment to implement social protection systems and measures for all poor, including social protection floors⁴ in line with the Addis Ababa Action Plan. This calls to “explore coherent funding modalities to mobilize additional resources, building on country-led experiences.”⁵

C20 Recommendations:

On this basis, we call upon G20 governments to

- ▶ Commit to designing social protection floors to ensure “over the life cycle, all in need have access to essential health care and to basic income security,” as defined by the ILO. Deliver the promised cash transfer to all low income people. Ensure an appropriate functioning of [public health and education systems](#) based on solid financial and fiscal planning to ensure stability in times of crisis.
- ▶ Assure the public resources fully cover the cost of adequate [social protection floors](#), including through appropriate international financial cooperation.
- ▶ [Decent jobs](#) are the core of the agenda. The G20 should elaborate an Action Plan to create jobs with minimum living wages, equal pay and social protection on an equal footing with others

1 2030 Agenda, p. 4.

2 According to 2030 Agenda, para. 74 g.

3 Establish global tax body and rule of law, fair distribution of resources, public financing, achieving the ODA commitments of 0.7%.

4 2016 G20 Labour and Employment Ministerial Meeting Declaration, Annex 5, p. 17.

5 Addis Ababa Action Agenda, para. 12, 2015.



Reform of the International Financial System

The global financial system is neither resilient nor sustainable. Significant risks and regulatory gaps remain such that citizens are vulnerable to new financial crises, abusive practices such as tax dodging, and new technological challenges. The financial sector must serve the needs of the people and the planet. However the G20 still promotes a financial system and monetary policies that create financial instability, social and environmental havoc, inequality, excessive debt and climate change.

Financial Regulation and Architecture

Only some of the financial reforms promised by the G20 have been delivered. Furthermore, the resilience of the financial system is put at risk by current policies and attempts to roll back important financial reforms. Quantitative easing needs to be reviewed. Citizens expect to be protected by strong financial regulatory and enforcement authorities that cooperate internationally.

C20 Recommendations:

- ▶ **Strengthen macro-economic and prudential oversight and regulation:** Identify and address all sources of systemic risk (e.g., excessive credit or loan expansion in the private or public sector) and promote long term finance.
- ▶ **Implement the G20 agreed reforms strictly** through trustworthy capital requirements and leverage ratios, reforms to address „too big to fail“, regulation of shadow banking as well as excessive speculative activities or actors, instead of further uncontrolled expansion and deepening of capital markets through securitization and derivatives.
- ▶ **Promote a more diverse banking system** adapted to the needs of all citizens, especially the most vulnerable, to small businesses and to environmental and socially friendly activities. This includes proportionate regulation and incentives for alternative financial institutions such as cooperatives, municipal savings and ethical banks.
- ▶ **Encourage capital controls** to prevent excessive speculation (e.g., against currencies) and financial instability. The OECD Code of Liberalisation of Capital Movements and capital flow clauses in free trade and investment agreements are not appropriate. Complementary are international Financial Transactions Tax and better coordination of G20 monetary policies in foreign exchange markets.

Debt

As a result of interest rate differentials between north and south, capital flows into poorer countries soared in the post-crisis years. At present, 116 countries have one or more external debt indicators in a critical range (increased by 38% compared to 2 years ago), with a trend of further deterioration in all regions. No comprehensive and efficient mechanism is available to deal with these new crises. Instruments like Collective Action Clauses and GDP-linked bonds are useful but not a substitute for a rule-of-law based mechanism.

C20 Recommendations:

- ▶ Encourage all relevant fora to work on devising orderly and comprehensive sovereign debt restructuring processes, including the IMF and the UN system.
- ▶ Prepare enhanced mechanisms for debt relief for the most vulnerable countries as a quick response to economic and natural emergencies.
- ▶ Agree on debt sustainability principles based on the UN General Assembly basic principles on sovereign debt restructuring processes.

Socially and Environmentally Sustainable Finance

The health and productive capacity of people and planet are essential for a sustainable economy. Action and regulations must align financial systems with the 2030 Agenda in order to strengthen these, deliver the SDGs and the climate commitments, and add at least US\$ 12trn a year to global GDP.

C20 Recommendations:

- ▶ Make sustainable finance a core focus of the G20 finance track, by including upgrading the study group on green finance (GFSG) to a permanent working group, and drawing on the full range of experience by civil society worldwide.
- ▶ Require mandatory disclosure on sustainability risks and opportunities for both private and public actors.
- ▶ Ensure compatibility with the 2030 Agenda and the Paris Agreement by developing regulation and accountability measures for financing and investments.
- ▶ Price in environmental externalities by committing, each country in its own way, to a strong effective carbon price by 2020.

Tax, Anti-Money Laundering and Corruption

Many billions are lost to illicit financial flows each year. Tax evasion and avoidance by multinational corporations and the rich, the race to the bottom through tax competition, and financial secrecy as revealed in the Panama Papers deprive countries of crucial revenue. National tax systems and global cooperation on tax matters need reform.

C20 Recommendations:

- ▶ Support the establishment of a UN intergovernmental tax body to achieve an unbiased, democratic and inclusive venue for shaping international norms of taxation and promoting international tax cooperation.
- ▶ Require multinational companies to publicly disclose Country-by-Country Reporting information, which is also a cost-effective and efficient process for countries to have timely access.
- ▶ Establish public registries of beneficial ownership of companies, foundations, trusts and other legal entities.
- ▶ Provide automatic exchange of information to developing countries on a temporary, non-reciprocal basis so they can benefit from the information before bearing the costs of compliance.
- ▶ Complete the work of the BEPS project on profit attribution - including for the digital economy - by establishing clear rules allocating profit to where real economic activities take place.
- ▶ Implement effective oversight of professional enablers of illicit financial flows.
- ▶ Publish a comprehensive list of tax havens, based on transparency and effective minimum tax rates.



Responsible Investment and Role of the Private Sector

The G20 countries must reaffirm their commitment to Agenda 2030 by taking concrete steps to drive responsibility and accountability of the private sector towards the Sustainable Development Goals (SDGs) to mitigate climate change and increase social health, security, development, and inclusive economic stability. Investment flows and finance, both private and public, must be coherent with sustainable economies and business conduct. Investment towards public infrastructure must be coherent with sustainable development and guarantee that private returns are not prioritized over the public interest.

ESG Disclosure

Ensure transparency through mandatory Environmental, Social, and Governance (ESG) disclosure by private sector actors.

Disclosure standards that address the social and environmental impact of the private sector are intrinsic to responsible investment. The G20 can play a significant role in initiating better international monitoring and tracking of private sector actions against the SDGs and the Paris Agreement.

C20 Recommendations:

As such, all G20 countries should

- ▶ Require **mandatory ESG disclosures** on impact on human rights (including digital rights such as privacy and freedom of expression), human capital, social and employment aspects, corruption, bribery, and environmental and climate matters by all companies with +500 employees, and require companies listed on G20 stock markets to **incorporate non-financial ESG information into their mainstream financial reports**;
- ▶ Ensure that **ESG information is comparable, consistent, and of high-quality** to allow it to be assessed and measured. Referencing adequate reporting frameworks such as CDP/CDSB for natural capital disclosure and the GRI G4 Sustainability, Common Good Report, or UNGP Reporting Framework for human rights/social responsibility reporting can facilitate comparable and consistent disclosure;
- ▶ **Implement the recommendations of the Financial Stability Board Task Force** on Climate-Related Financial Disclosure (FSB TCFD) into national legislation and facilitate standardized climate risk reporting amongst G20 member countries.

Private Capital

Ensure private capital invested in public infrastructure and private businesses is directed towards responsible and sustainable projects, sectors and companies.

The need is urgent to align the “billions to trillions” infrastructure agenda with the SDGs. Integration of ESG criteria improves both corporate and public financial perfor-

mance. Yield on private capital must not be prioritized over the public interest when mobilizing private resources for public infrastructure and service delivery. We are particularly concerned about the G20 promoting Public Private Partnerships domestically and through the multilateral development banks, despite widespread evidence that the true costs of this modality often are hidden.

C20 Recommendations:

As such, all G20 countries should

- ▶ Require proactive [disclosure of all Public Private Partnership \(PPP\) projects and contract data](#) throughout the planning and delivery of the PPP in an open data format;
- ▶ [Guarantee that pre-feasibility studies for PPPs are](#) independently assessed to calculate the true costs and benefits of PPPs over the lifetime of the project;
- ▶ Ensure that the [full cost and contingent liabilities of the PPP are reported on-budget and registered as government debt](#);
- ▶ Call on [development finance institutions and international financial institutions](#) to strengthen their accountability frameworks and safeguards;
- ▶ [Mainstream responsible investment](#) by broadening the legal concepts of fiduciary duty and due diligence applied to pension funds, sovereign wealth funds, and other institutional investors to take account of [any potential ESG risk](#) in their investment activities.

Responsible Business Conduct

[Incentivize and regulate responsible business conduct in line with international conventions and standards.](#)

The G20 must ensure that the private sector actively contributes to sustainable development and respects human rights, labor rights, and upholds environmental and governance standards in their global operations, including their entire supply chains. Sustainable supply chains can help to further economic growth and development, eradicate poverty and inequality, and realize the SDGs.

C20 Recommendations:

As such, all G20 countries should

- ▶ [Implement the UN Guiding Principles on Business and Human Rights](#) and develop substantive National Action Plans on the implementation of these principles;
- ▶ [Accede to the OECD Guidelines on Multinational Enterprises](#), ensure that their National Contact Point (NCP) system is capable of delivering effective remedy, and commit to NCP peer review;
- ▶ [Require mandatory due diligence throughout supply chains](#) to identify, prevent, mitigate, track and communicate possible human rights or labor rights violations, corruption, and adverse environmental impacts;
- ▶ [Incentivize companies to operate above minimum ESG standards](#) through fair and sustainable government procurement policies, tax policies and subsidies that reflect the true ESG costs of given products and services, for example, by granting procurement contracts to companies who provide employees a living wage as opposed to the minimum wage.



Sustainability: Climate and Energy

Recognising G20 countries' responsibility for approximately 80% of global greenhouse gas (GHG) emissions, we call on all G20 countries to adopt the following provisions to address the risks posed by climate change to people, planet and prosperity, and to seize the opportunities for sustainable development and modernization of their economies offered through ambitious climate action and collaboration.

Commit to rapid and robust implementation of the Paris Agreement and related agreements.

The G20 should:

- ▶ Recognize that current actions are insufficient to reach the goals of the Paris Agreement;
- ▶ Take immediate steps to reduce emissions in line with the Paris Agreement's objectives to pursue efforts to limit global warming to 1.5°C above pre-industrial levels, including ramping up inadequate Nationally Determined Contributions (NDCs) currently submitted to the UNFCCC;
- ▶ Reduce fossil fuel use towards their complete phase-out, increase energy efficiency in all sectors, commit to 100% renewable energy provision, halt deforestation, and protect natural ecosystems;
- ▶ Commit to ratifying the Kigali Amendment of the Montreal Protocol in 2017 and include the resulting increased short-term climate ambition in their revised NDCs by 2018.

Commit to developing mid-century, long-term, low-GHG emission development strategies.

These strategies, mandated by the Paris Agreement, are an essential tool for identifying the short-term actions and milestones required for achieving the long-term goals of the Paris Agreement in line with the Sustainable Development Goals (SDGs).

The G20 should:

- ▶ Commit to developing and communicating initial long-term strategies for low-GHG emission development
- ▶ by 2018, with the aim to revise and update these strategies periodically;
- ▶ Work towards ambitious strategies that are consistent with achieving greenhouse gas neutrality by the second half of the century in order to send strong policy signals to investors, stimulating shifting financial flows to promote investment in clean energy, resilience, and sustainable development, and reduce the risks of locking in unsustainable infrastructure;
- ▶ Create a permanent working space under the G20 within those countries that can voluntarily share best practices for the strategies, enabling G20 countries to show leadership in the race to global decarbonisation through facilitating exchange on clean and sustainable solutions for energy and across sectors.

Support climate resilience, especially of the poorest and most vulnerable populations.

The G20 should:

- ▶ Increase financial and technical support for poor and vulnerable populations and countries, in particular Small Island Developing States (SIDS) and Least Developed Countries (LDCs), to build climate resilience and adaptive capacity and to address loss and damage, both through delivery on climate finance commitments under the Paris Agreement and the Cancun Accords, and voluntary South-South cooperation, prioritizing such actions under the G20 focus on Partnership with Africa;
- ▶ Work with, and support, poor and vulnerable countries to strengthen pro-poor climate and disaster risk finance and resilience frameworks, within existing or new partnerships, and promote approaches for pro-poor benefits of risk pooling mechanisms – e.g. for participatory contingency planning or climate-resilient social protection systems – and regularly take stock of progress towards building climate resilience;
- ▶ Support natural solutions for mitigation and adaptation that provide development co-benefits, including ecosystem restoration, while respecting local communities and indigenous rights.

Set clear price signals to stimulate more sustainable and inclusive development while reducing carbon emissions, including through phasing out of fossil fuel subsidies.

The G20 should:

- ▶ Commit to phasing out all fossil fuel subsidies by 2020, while ensuring access to clean and affordable energy for all, especially the poor and disadvantaged populations;
- ▶ As an initial step towards this, ensure that all G20 members complete fossil fuel subsidy peer reviews by the end of 2018 and establish annual reporting on all fossil fuel subsidies, investment and financing in fossil fuel production by public institutions and state-owned enterprises;
- ▶ Establish a permanent platform for cooperation on carbon pricing within the G20, with the aim to establish effective and rising floor prices across all G20 countries, initiate exchange of views and experience on best practice regarding the integration of carbon pricing schemes into the overall energy pricing and tax regulation in order to avoid regressive effects, as well as options for redistribution and sustainable investment (including transfer payments and investments in developing country infrastructure) that increase effectiveness and help a just transition.

Align financial markets with the Paris Agreement and the SDGs.

The G20 should:

- ▶ Evaluate and report on the degree how much international and national rules relating to banking, bond markets and investment are aligned with the global climate goals and other sustainability objectives;
- ▶ Upgrade the Green Finance Study Group to a G20 Working Group to ensure its future under the G20 Finance track with a mandate to expedite the above alignment;
- ▶ Carry forward the work of the Task Force on Climate-related Financial Disclosures (TCFD) and facilitate full implementation of its guidelines and recommendations, establishing a working group of governmental securities regulators to make disclosure of climate risk mandatory by 2020;
- ▶ Ensure that climate-related financial risks are adequately disclosed, through including measures of environmental risk as quantitative parameters of financial risk in the regulation of banks, insurance companies and securities markets, and recommend frameworks to conduct “environmental stress-tests.”

Ensure infrastructure development that is sustainable and climate-resilient.

The G20 should:

- ▶ Develop and implement stringent climate and sustainability criteria for national and multilateral investment banks, to avoid future climate and systemic financial costs linked to stranded assets;
- ▶ Ensure project preparation facilities prioritize sustainable, climate-resilient, pro-poor, and appropriate-scale infrastructure aligned with mandatory investment principles that promote strong environmental standards and respect, protect and fulfill human rights, particularly in International Financial Institution (IFI) loan and development projects;
- ▶ Establish clear expectations that the identification or selection of infrastructure projects be guided by upstream feasibility and cost-benefit analyses, including, large-scale geospatial planning that avoids, minimizes and mitigates cumulative environmental and social impacts, and strictly follows the principle of free, prior and informed consent.

Civil20 is the G20 engagement group of the international civil society. It represents more than 150 organisations from over 50 countries, giving civil society a loud voice in the G20.

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