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**Agra July 5-6, 2020
Communiqué**



COMMUNIQUÉ

1. We, the G23 leaders, met in Agra for the 2020 Summit. In a spirit of open dialogue, we discussed the most pressing issues on the international agenda. We concentrated our discussions on the issues of institutional reform and global governance. What framework of institutions is required to meet the challenges of the 21st century? How can we adequately adapt existing institutions and build new ones to ensure future security and prosperity?
2. We discussed a range of options which we believe merit further review with others leaders of governments, international institutions, international corporations, and most importantly, civil society.
3. Ever-accelerating globalization presents both opportunities and threats. Governments and civil society are both concerned, more than ever, that their sphere of influence in their own economies is being severely undermined and that the scope for policy choices is decreasing. Some are turning to regional or international institutions to tackle governance challenges. Others criticize international institutions as ineffective, counterproductive, and as part of the problem. Civil society is more and more critical of international institutions, which they hold responsible for accelerating globalization in the interests of private sector actors. Demands are on the rise for enhanced democratization, representation, accountability, and transparency.

The Role of Civil Society

4. We applaud the increasing contributions of civil society. In the last few years, international organizations have built new and enhanced current partnerships and networks with civil society, in order to encourage the development of a stronger and broader civil society base, especially in the developing world. We applaud the Civil Society Assembly, established only two years ago. Its method of accrediting parliamentarians and representatives of civil society as delegates enhances both legitimacy and effectiveness.
5. We endorse the trend of regional and international institutions providing increasing financial support to enhance participation of NGO representatives from developing countries. Such steps are a means to increase legitimacy and accountability within regional and international institutions. The Aarhus Convention has brought about a much-improved level of transparency and citizen participation in environmental matters. The 'Rethinking Governance Handbook,' developed by the University of Victoria's Centre for Global Studies, has triggered an explosion in the literature on improving transparency, participation and accountability by providing best practice examples to international organizations.
6. The privately administered CIVICUS voluntary fund was established only five years ago to support capacity-building efforts for civil society organizations in Africa. Its cost-effective methods have made a real difference in many African countries. It has proven to be a success. We commend its private, geographically representative, and politically balanced board. We are committed to providing increased resources to CIVICUS, so that it can extend its programs around the world.
7. The global importance of civil society is widely recognized. There is a worrisome imbalance in the influence of civil society groups. North American and European groups are well resourced. Southern groups are overly constrained and our international institutions do not benefit from their participation. To date, correcting the North-South imbalance among NGOs in international participation has proven to be a difficult challenge. Many civil society groups in the South still lack the resources to send substantial delegations to relevant meetings or question whether this would be the best use of such large expenditures, given more pressing needs in home countries.

8. We applaud and support the permanent Civil Society Council of worldwide civil society organizations, which meets at two-year intervals and welcomed its President to our meetings for the first time.

Bretton Woods Institutions

9. The reforming of the role and mandate of the Bretton Woods Institutions must be continued. Amongst some of the pressing issues, their actions must become even more transparent and their decision-making even more accountable. The addition of two new seats on the executive boards of the World Bank and IMF, as well as a reallocation of votes and constituencies favoring Southern members, are welcome reforms. Over the past 74 years, the proliferation of knowledge has led to a complexity of tasks that defies operational definition. There was concern that the World Bank's mission was becoming too broad and consequently difficult to manage efficiently and effectively. Over the last 20 years however, the World Bank's exceedingly complex agenda has become more streamlined. We are pleased with the overall progress and evolution of the Bretton Woods Institutions.

10. The World Bank's failure in previous decades to adequately achieve its primary mission of poverty alleviation had been acknowledged at the most senior levels of the Bank itself. Over the past decade, the World Bank has come under increasing criticism from a wide range of groups in the North and South. In the 1980s and 90s many World Bank projects had a disastrous effect on the environment. The World Bank financed many large infrastructure projects, including dams, open pit mines, and road construction. In too many cases these projects have proven to be economically unsound, have damaged rainforests, rivers and estuaries, and have negatively affected millions of people in developing countries. In the last 20 years, there was criticism of the proportion of resources allocated to overhead and the carrying out of countless studies. Rather, resources should be redirected more efficiently to priority basic needs such as dealing with water and food shortages, especially in megalopolis cities of the South.

11. The Civil Society Assembly has been critical of the World Bank's policies of structural adjustment designed to assist countries in correcting their balance of payments and debt problems, problems that have persisted for 40 years. These programs have exacted an unacceptable toll on the poor. The impact assessments carried out by the Bank in the past few years have greatly contributed to providing an "early warning system" to ensure that loans with potential adverse social and environmental consequences were changed or discontinued. We welcome the new initiative to conduct Dynamic Assessments of sector-wide and countrywide strategies, building on Poverty Reduction Strategies.

12. We recognize the initiatives provided to the very poor through the Consultative Group to Assist the Poorest and the Information for Development program. We applaud their achievements in recent years, especially CGAP's success in extending microfinance services well beyond even the most ambitious targets.

13. The World Bank should accelerate its refocusing to support client countries' longer and medium-term structural and social reforms, particularly those useful in preventing crises and fostering economic and social recovery from financial crisis.

14. We support the thorough measures taken by the World Bank over the years to encourage effective participation and enhance transparency. The Bank's commitments to engage in multilateral stakeholder dialogue and to improve its information disclosure policies have made it a best practice example for the last 20 years.

15. We pay special tribute to Nobel Laureate Joseph Stiglitz on his 10th Anniversary as Executive Director of the World's Bank Capacity Building Facility, which has trained thousands of policymakers, equipping them to participate effectively in international negotiations. This facility also helped to bring about the Committee of Borrowing Countries, which now review all proposals to the IFIs prior to their presentation before the executive boards.

16. Now that the IMF is no longer preoccupied with structural adjustment-type lending to developing countries, it is focusing on its prudential functions. It has recognized that it imposed too many micro conditions and unrealistic demands on borrowing countries, exceeding its core mandate and taking insufficient account of domestic willingness and capacity

of executing demands. Its position particularly in relation to its role as a "lender of last resort" to help stem contagion proved less than perfect in recent crises. We are commissioning a comprehensive review of the IMF's mandate - including its function in monitoring and supporting economic policy co-ordination, focusing on policy "spillovers", overseeing international co-operative activities, and its approach to supporting exchange rates.

17. We note the replacement of structural adjustment agreements with the launch of transparent policy dialogues to ensure sustainable development commitments for countries in the North and the South. We welcome the policy of loans and credits emphasizing soft-path lending for people-oriented sustainable development and focusing on poverty reduction. We endorse the use of the income from the reserves and retained earnings of the World Bank and IMF to cancel or substantially reduce debts owed to them by the severely indebted low and middle-income countries.

18. We are requesting our Finance Ministers to report to us at our next meeting on establishing independent tribunals to arbitrate between creditors and debtors on appropriate conditions for extending debt relief. We are requesting our Finance Ministers to report to us on innovative means to increase accountability and liability for imprudent policies and projects.

19. We commend the increased transparency and access to information of these institutions and we would welcome even further participatory evaluations. We applaud the recent establishment of the independent Appeals Commission to oversee the operations of the World Bank and the IMF with its binding recommendations. We applaud the performance of UNCTAD for the manner in which it has absorbed the OECD¹ and which assumed the IMF's micro policy surveillance role. We support further study of means to democratize and decentralize decision-making, bearing in mind the responsibility of donors to their taxpayers.

Twenty Years of Revisions of the HIPC Initiative

20. Debt is aggravating the impoverishment of poor people in severely indebted countries. With the world population continually increasing, the goal of halving world poverty is still not realized. We reaffirm our determination to achieve this goal by 2030.

21. The Highly Indebted Poor Countries (HIPC) Revised Initiative of the World Bank and the IMF has been widely criticized as it has failed to deliver on its promise to provide an "exit from debt problems." HIPC was regarded not only as too slow and too restrictive, but still based on unacceptable "Washington consensus" economic reform conditionality, which has consistently perpetuated and worsened the problem. We recognize the efforts of the Jubilee Plus campaign to call for debt cancellation and reiterate that civil society in the South must play a significant and influential role in a transparent and participatory process, helping to define and monitor the use of resources released by debt cancellation. Rationalization of debt relief and better independent monitoring of creditors and donors should be further explored and elaborated. We have directed our Finance Ministers to examine the possibility of an International Bankruptcy Regime.

Transparency International

22. We are pleased with the steps that have been taken to date to fight corruption - one of the greatest diseases of government affecting the entire world. In particular, we applaud the 28th Anniversary of the establishment of the worldwide partnership Transparency International. The results made public by Transparency International have contributed to exposing corruption cases including corrupt judges, weak banking regulations, haphazard public services, limited community participation, all of which waste resources for development. Exposure itself serves as an effective deterrent. At the same time, further legal penalties are also needed to reinforce the stance against corruption. Its anti-corruption activities have gathered invaluable information on corrupt activities from specialized staff (auditors, investigators), third parties (the media, banks), clients, the public, and its own agents.

¹ In 2014 the OECD expanded to all continents and to 57 members.

WTO

23. The WTO is in urgent need of redesign in certain critical aspects. Clearer processes of consultation and mechanisms for transparency and accountability are needed. We encourage the WTO to provide enhanced technical assistance to developing countries in order for them to participate more effectively in multilateral trade negotiations, trade opportunities, and the dispute settlement mechanism.

24. The current WTO Dispute Resolution Understanding is too technical, costly, and lengthy for developing countries to participate. We have agreed to promote a Small Claims Court in the WTO, as an affordable alternative, for least developed countries, to the dispute settlement process. Without the handicap of technical complexity and the burden of high costs, a Small Claims Court would ensure that all WTO Members have access to suitable and expedited means of settling disputes. A G23 Task Force will be set up to study the design of a Small Claims Court.

25. With respect to Intellectual Property, we have agreed to work on an extension of flexible rules on compulsory licensing, with its associated provisions on privacy. We endorse the proposal to establish an independent Bio-Piracy Agency to work in close cooperation with Interpol, to protect aboriginal and tribal traditional intellectual property. Progress on technical assistance, the Small Claims Court and Intellectual Property, combined with recent landmark movement resolving long standing grievances in Agriculture and Textiles, set the stage for the first New Round in 25 years. We have agreed to direct our Trade Ministers to initiate negotiations, under WTO auspices, including inter alia, Investment, Biotechnology Products, and Immigration.

Global Environmental Mechanism

26. Effective collective action is urgently needed to remedy global environmental threats. In terms of the security of individuals, threats from environmental degradation are equivalent in significance to threats from armed conflict. We have agreed to designate specific military forces as “Green Helmets” to deal with imminent environmental emergencies. We endorse the UN Trusteeship Council as the authority for deployment decisions.

27. Various international organizations have been under considerable and conflicting pressures to address environmental issues, raised by civil society interests, among others. To provide a more adequate forum for the development and enforcement of environmental standards, we have given serious consideration to creating a GEM. The Global Environmental Mechanism will consolidate UNEP, the three clusters of the Secretariats of MEAs and the functions of the Commission on Sustainable Development. This mechanism should significantly reduce costs and streamline the current uncoordinated international environmental bureaucracy. The UN Trusteeship Council, having completed its task of management of the process of de colonization, should assume the mandate of coordination of the mechanism.

Global Threats to Ecosystem Viability

28. World population is growing fast and it is expected to grow to nearly 10 billion by 2050. Furthermore, all of this growth will be in the poorer countries. Water shortages plague every continent, with disastrous impact in poorer countries. More than 1.5 billion people lack safe drinking water. Half the world lacks adequate sanitation and 80% of all diseases in the developing world are water-related. Agricultural land is becoming brackish worldwide.

29. If present trends continue, two out of every three people on Earth will live in “water-stressed” regions by 2025. To prevent world water crises, and consequent mass migrations, disease, and wars, we are determined to pursue changes where appropriate in agricultural practices and water pricing. We must invest more in desalination, reforestation, and watershed management. We have pledged to increase our ODA resources for water related investments. We urge the World Bank’s Water Investment Facility to accelerate its investment of the \$40 billion Trust Fund established last year. We commit to energetic efforts to secure treaties and cooperative agreements on water rights.

Climate Change

30. Accelerated global warming has had a significant impact on all of the Earth's ecosystems in recent years. Global warming has produced profound changes in the climate. Decay of the permafrost layer is leading to land instability in the North. Scientists have identified increased disease and pest infestations, urban smog, and summer heat stress. Shifts in global wind and rainfall patterns have impacted the timing and frequency of extreme events such as droughts, forest fire hazards, and intense storms.

31. If human activities contributing to the greenhouse effect and aerosol emissions are not moderated, global mean temperatures during the next century will rise further, possibly a further 2°C before the end of this century. Prompt, effective, and sustainable action is needed to stabilize greenhouse gas concentrations in the atmosphere. We have agreed to intensify cooperation on climate-related science and research. We will promote cooperation between countries on technology transfer and capacity building.

32. We will continue to participate in all relevant fora to promote our shared objective of sustainable development and we look forward to the 2021 Conference on Climate Change in New Delhi, organized by the IPCC, the leading network on climate change.

Diseases

33. Infectious disease cause about 30% of deaths worldwide. In the last two decades, more than 30 new and highly infectious diseases have been identified such as Booshegunde and AAIC. For many of these there is no preventive vaccine, treatment, or cure. Also, twenty known strains of diseases such as TB and malaria have developed anti microbial resistance due to the widespread use and misuse of drugs. Simultaneously, long established diseases such as cholera, plague, dengue fever, and meningitis have reappeared as public health threats after years of decline. The HIV/AIDS Prevention and Treatment Trust Fund, conceived by economist Jeffrey Sachs and AIDS physician Bruce Walker, now allows a treatment population of 3 million people to access discounted anti-HIV drugs. The drugs are accessible to people in Africa, India, and other hard-hit areas, via a closely monitored system.

34. The most pressing global health concern remains AIDS. The uncontrolled spread of AIDS has proved catastrophic in developing countries. Nearly 80 million children made orphans by AIDS have grown up in cities across Africa, many turning to crime to survive. Sub-Saharan Africa accounts for nearly half of all deaths from the full range of infectious diseases worldwide. We recognize the efforts of the Global Health Fund to fight HIV/AIDS, malaria, and tuberculosis, launched in collaboration with the UN Secretary-General in 2001. While the Fund, which reached its initial goal of \$10 billion in pledges, has improved coordination among donors and provided incentives for private sector research and development, further efforts are called for.

35. We welcome the proposal to turn the Fund into a Global Health Program, belonging to the World Health Organization, with predictable long term funding, to help developing countries create effective and efficient health services. We believe that strong national health systems stand to enhance the delivery of effective prevention, treatment, and care and improve access to essential health services and commodities without discrimination.

International Labour Organization

36. Various international organizations have been under considerable, and frequently conflicting, pressures to address labour issues. We endorse the International Labour Standards Task Force's recommendations to investigate the establishment of an ILO Tribunal that will adjudicate complaints and issue binding rulings.

World Financial Authority (WFA)

37. We had a full and frank discussion on the viability and desirability of transforming the IMF into a new WFA. Such an institution could be given executive powers and mandatory sanctions (comparable to those of the WTO) to regulate and oversee both private financial conglomerates and hedge funds.

38. We have asked our Finance Ministers to provide recommendations next year on possible objectives and tasks:

- Ensuring that the operations of global financial markets remain consistent with and promote growth, redistribution, and employment in the real economy.
- Minimizing systemic risk arising from the operations of securities and futures markets (for example, by preventing hedge funds from using borrowed money for speculative purposes, thus avoiding their highly risky and potentially destabilizing leveraged operations).
- Monitoring and regulating the activities of international banks, currency traders and fund managers.
- Ensuring transparency and accountability on the part of International Financial Institutions.
- Assisting national governments in improving regulatory and control functions over their national financial systems (for example, through the imposition of capital and/or reserve requirements on all major financial institutions).
- Ensuring that the capital controls implemented in one country are not subverted by neighbouring countries pursuing contrary (for example, financial liberalization) policies to attract finance capital.
- Providing a forum in which the rules of international financial cooperation are developed and implemented.

International Tax Organization (ITO)

39. We reviewed our decision, in 2014, to establish the ITO in accordance with the “sunset clause” in its Charter. We commend the performance of its base functions:

- i. Compile statistics, identify trends and problems, present reports, provide technical assistance, and develop international norms for tax policy and administration.
- ii. Maintain surveillance of tax developments.
- iii. Sponsor a mechanism for multilateral sharing of tax information.

We discussed extending its scope in terms of new functions:

- A lead role in restraining tax competition designed to attract multinationals with excessive and unwise incentives
- Arbiter when frictions develop between countries on tax questions.

We commissioned our Finance Ministers to report on whether the ITO might in due course seek to develop and secure international agreement on a formula for the unitary taxation of multinationals. Other international levies on air travel, atmospheric space for satellites, ocean resources etc. should also be considered.

40. We endorse the conclusion of our Finance Ministers’ Report, evaluating our Tax Redrafting decision in 2016, coordinating a revenue-neutral tax shift, using country specific strategies, to increase pollution and energy taxes, and to decrease payroll taxes on labour by an equivalent revenue yield. The “carbon taxes” did contribute to slowing the rise in global temperatures, and the decrease in payroll taxes did have a positive, albeit lagged, impact on employment. We commend the ITO for its work, formulating and coordinating international actions to help implement the revenue-neutral shift without countries’ loss of competitive position.

Currency Transactions Tax or Tobin Tax

41. We discussed the prospects and feasibility of an international taxation system (a “Tobin type” tax) on foreign exchange trading, which could serve to reduce short-term speculative capital flows and financial instability, and provide funding for international organizations and global public goods generally. We agreed to review this issue next year.

Global Competition Council

42. As global integration proceeded, it became clear that international cooperation was required to fully control anti-competitive behaviour by footloose companies. There have been a number of cross-border mergers and alliances between giant companies, which raise the question of how such entities are to be policed. This trend also presents problems both of global monopoly and of jurisdictional conflict, although some countries have very effective systems to manage problems arising from anti-competitive behaviour. The proliferation of anti-dumping and countervail subsidy regimes and their high level of activity is a cause for concern. We have agreed that the establishment of a Global Competition Council may be appropriate. We will initiate a process of review of the potential mandate for such a Council.

Literacy

43. Education is a central building block for growth and employment. We reaffirm our commitment to help countries meet the goal of universal primary education for 2035. We agree on the need to improve the effectiveness of our development assistance in support of locally devised strategies. Universal primary education and equal access to education at all levels for girls must be given high priority both in national poverty reduction strategies and in our development programs. We charge UNESCO to act as a matter of priority on improved assessment systems to measure progress and identify innovative best practices, to focus on teachers training and the use of information and communications technology to train teachers.

Digital Divide

44. We are pleased to observe that we have finally bridged the Digital Divide. Since its establishment in 2003, the Digital Innovation for Development Agency (DIDA) has been instrumental in helping countries access and apply Information Communications Technology to help meet their development priorities. Effective and inexpensive solutions to the delivery of basic services were found and the gap between information “haves” and “have-nots” was made smaller. We applaud the global team effort of representatives from the public, private and non-profit sectors, and developing countries’ governments whose work ensured that digital technologies became universally and affordably applied.

45. The agency, having successfully fulfilled its mandate, should be wound down over the next twelve months.

Selecting Heads of International Organizations

46. Recognizing the international system is most efficiently served if leaders of international organizations are selected solely on the basis of their ability, we call for a non-partisan and independent International Public Service Commission. The Commission should be responsible for recruitment of the most skilled candidates based only on merit and irrespective of race, gender, or nationality. We have asked our Ministers responsible for Human Resources to develop the terms of reference for the Commission in time for our meeting next year.

Next Conference

47. We accept the invitation of the Prime Minister of Australia to meet again next year in Perth to review progress in the state of global governance following our proposals.