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GEGAFRICA
RESPONSIVE AND EQUITABLE ECONOMIC GOVERNANCE
FOR AFRICA AND THE GLOBAL ECONOMY

SPEAKING NOTES

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The G20 and Africa's Development

Representatives of the University of Pretoria

Representatives from the Business Sector and Community members

Ministers, Ambassadors, Professors, diplomats, distinguished guests, established members of the audience, our chairperson and panelists here today.

Ladies and gentlemen

Good afternoon.

Introduction

On behalf of UNDP, I thank the South African Institute of International Affairs and the University of Pretoria for providing me this opportunity to speak to you today on this important topic of the G20 and the post 2015 Sustainable Development Goals (SDGs).

This is also an honor for UNDP to be a part of this important milestone event which takes place in SAIIA's 80th anniversary year. I thank you once more for your invitation.

I will talk on three issues that are pertinent to today's discussion

- First, the partnership relationship between the United Nations and the G20;
- Second, the G20 and the current situation of the post-2015 development agenda/SDGs, and
- Third, positioning the post-2015/SDGs in the African context

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G20 is an important partner of the United Nations

There can be no mistaking that at this critical juncture in international affairs, the G20 is in a pivotal global leadership role at a time when the world faces serious challenges relating to security, development and the environment. Pressures on people are building as is pressure on the planet. Therefore, partnerships at all levels to mobilize resources, policies and energies towards a common development agenda are crucial.

We therefore acknowledge in this growing partnership that the G20 wields great political and economic weight accounting for nearly 85% of global GDP, 60% of world trade and 65% of the world population. However, the UN remains the world's only legitimate formal inter-governmental body. It is only fitting that the 2 bodies need to establish a symbiotic relationship. The support of the G20 to foster continued and sustainable inclusive economic growth is therefore a crucial pre-requisite. Some considerations for the G20 in this regard to be advanced include:

- Pushing for a transformative and ambitious agenda on Poverty eradication and sustainable development and by endorsing the future Report of the Secretary General wrapping up the substantive process.
- They may also call for a limited number of inspiring goals so that the new agenda will be a powerful tool for communication and advocacy.
- And lastly, they can build a common approach toward the third international conference on financing for development and consider how to mobilize indispensable resources for sustainable development financing, including climate finance, as consistent means of implementation.

Indeed, development today remains a key element of the G20 agenda. In their commitment to work towards a strong, sustainable and resilient growth for all, including that of developing countries, the G20 has set an agenda that promotes a global environment that is conducive to inclusive growth and sustainable development. This focus on inclusive economic growth is also central to achieving progress in reducing poverty and boosting the prospects of the lowest-income segments of the population.

In its mission, the United Nations aims to eradicate extreme poverty globally, reduce inequality, create decent jobs that are sustainable as well as seeking actions that stabilize the rate of carbon emissions and contribute to sustainable development.

The UN's line of work is also aligned to that of the Development working group. The DWG, which works with key international organizations, advanced work on the five priority areas agreed by leaders in the 2013 Saint Petersburg Development Outlook, which were built on the Seoul Development Consensus for Shared Growth.

In the most recent G20 summit in Brisbane, the UN secretary general, Ban Ki Moon emphasized this growing closeness in stating:

“The determination of the G20 leadership to raise the growth by more than 2 per cent in the next five years is a step in the right direction. But the quality of growth is just as important as is the quantity. We must pursue an agenda that advances sustainability, addresses inequalities and generates decent jobs, especially for young people. Next year the UN Summit will provide the opportunity to adopt such an agenda, including an ambitious set of sustainable development goals.”

This commitment to pursuing global economic growth and targeting sustainable development outcomes was strengthened further through the UN GA's adoption of resolution 67/289. The resolution which was regarding the role of the UN in global economic governance raised the issue of formalizing its consultations with the G20.



Hence, the G20 role in providing the necessary platform through which policy dialogues will then transcend to individual national priorities is a catalyst to the work of the United Nations.

The interconnectedness of our visions has co-existed in the past and will continue to do so in the future.

Post 2015 Development agenda: G20 is a positive contributor

Perhaps at this stage, I would like to share with you where we are as regards the SDGs.

As many of you may be aware, the Open Working Group (OWG), comprising 70 member states, has produced a proposal for a set of Sustainable Development Goals (SDGs) to replace the MDGs at the end of 2015, which the General Assembly adopted on 10 September 2014. This shall be the main basis for integrating sustainable development goals into the post 2015 development agenda.

The vision is for the goals that promote sustainable development and poverty eradication.

The proposal has 17 goals and 169 targets. The first 16 goals address priority areas that increase the ambition on existing MDG goals (poverty, health education, gender) but with added dimensions on

- economic sustainability (inclusive growth, jobs, infrastructure, industrialization)
- environmental sustainability (climate change, oceans and land based ecosystems, sustainable consumption and production)

These will be supported by the enablers, namely 'peaceful and inclusive societies for sustainable development', namely the governance agenda.

The 17th goal is about the means of implementation (finance, trade, technology, capacity building, partnerships, and data).

Following the SGs synthesis report which is due to be released before the end of the year and which will provide an input into the OWG process, the formal the negotiations are set to begin in January 2015 and will culminate in a Summit of Heads of State and Government in September 2015 to agree on the new development agenda – the SDGs.

For its part, the G20 is supporting "efforts in the UN to agree an ambitious post-2015 development agenda", to which "the G20 will contribute by strengthening economic growth and resilience".

From the UN's perspective, six basic principles should therefore guide the G20 development agenda when it comes to the post 2015 process;

1. Focus on inclusive economic growth: whereby efforts to support attainment of growth in developing countries should go hand in hand with their capacity to achieve the MDGs/SDGs.
2. Global development partnership: recognizing that a country's own development policy is the most important determinant of successful development, the G20 should seek to ensure that actions foster strong, responsible, accountable and transparent development partnerships between the G20 and developing countries
3. Addressing global or regional systemic issues: a focus on systemic issues where there is a need for collective and coordinated action, including through South-South and triangular cooperation, to create synergies for maximum development impact.



4. Private Sector participation: aims to promote increased private sector involvement and innovation recognizing the unique role of the private sector as a rich source of development knowledge, technology and job creation.
5. Complementarity: Differentiate, yet complement existing development efforts, avoiding duplication, and strategically focus on areas where the G20 has a comparative advantage and can add value focusing on its core mandate as the premier forum for international economic cooperation.
6. Finally, outcome orientation. Where the development agenda becomes increasingly results based.

In addition, at Brisbane, G20 leaders put the focus on development in four priority areas which can contribute to the implementation of the Post 2015 agenda.

Financial inclusion and remittances. The G20 has endorsed the Financial Inclusion Action Plan (FIAP) that is the framework prepared by the Global Partnership for Financial Inclusion (GPFI) to strengthen financial inclusion in and remittance to developing countries. The FIAP focusses on facilitating private-sector led innovations that integrate financial inclusion with financial education, literacy and consumer protection and increased financial opportunities for small and medium size enterprises. The aim would be to align this work stream with the post 2015 agenda (i.e. proposed goals 1.4, 8.3, 8.10, 9.3 of the Open Working Group report)

Food security and nutrition. G20 members agreed on a Food Security and Nutrition Framework prepared by the FAO and OECD that provides a strategic approach for future, long-term G20 action for economic growth and job creation in relation to food security and nutrition. It will strengthen growth by lifting investment in food systems, raising productivity to expand food supply and increasing incomes and quality jobs.

Domestic Resource Mobilization and Cooperation on Tax Matters. G20 leaders put a strong focus on international cooperation on tax matters, and stated that “profits should be taxed where economic activities deriving the profits are performed and where value is created.” Based on the OECD Base Erosion and Profit Shifting (BEPS) Action Plan to modernize international tax rules, and the global Common Reporting Standard for the automatic exchange of tax information (AEOI) to prevent cross-border tax evasion on a reciprocal basis, G20’s policy aims to strengthen international cooperation.

Trade: Trade is emphasized as a key driver for growth, with a focus on strengthening multilateral trading system, which under the WTO rules remain the backbone of the global trading system that has delivered economic prosperity.

Infrastructure Investment: The Global Infrastructure Initiative, which is a multi-year work programme to lift quality public and private infrastructure investment. G20 members aim to tackle the global infrastructure gap by facilitating long-term financing from institutional investors, including MDBs, and to encourage market sources of finance.

This work on infrastructure will benefit low-income countries, thanks to the establishment of the Global Infrastructure Hub with a four-year mandate. The Hub will contribute to developing a knowledge-sharing platform and network between governments, the private sector, development banks and other international organizations. The Hub will foster collaboration among these groups to improve the functioning and financing of infrastructure markets.



Africa and the Post 2015 Development Agenda/SDGs – Common Africa Position, one voice for the continent

Now, to the third part of my intervention, namely Africa and the post 2015 Development Agenda and how the G20 can engage.

The African Union has adopted a Common African Position (CAP) to inform Africa's negotiations on the post-2015 Development Agenda. Formulated through a highly participatory process involving several stakeholders, CAP expresses the voice and aspirations of the African people and is one voice of the continent.

The CAP is anchored on six pillars that have been identified as crucial to the realization of African's aspirations, namely:

1. Structural Economic Transformation and Inclusive Growth;
2. Science, Technology and Innovation;
3. People-Centred Development;
4. Environmental Sustainability, Natural Resource Management and Disaster Risk Management;
5. Peace and Security; and
6. Finance and Partnerships

Work taking place in the G20 links very well to the areas of the CAP's priorities. The Seoul development consensus also recognizes that much of today's economic growth is driven by emerging markets and is increasingly influenced by lower-income country performance. This unfolding of current economic affairs means the G20 needs the rest of the world to diversify sources of global demand and destinations for investing surpluses. The global economy ultimately needs developing countries and LICs to become new poles of global growth, hence their involvement to this movement is not only a critical pre-requisite for the successful conversion of policy dialogues but a guiding mechanism in the entirety of the process.

The CAP also represents a critical milestone towards realization of the African Union's own Agenda 2063. Agenda 2063 is a 50 year roadmap towards an Africa that is peaceful, integrated, people-centred and prosperous.

A key pillar of Agenda 2063 is the emphasis on transforming African economies in ways that should lead to creating shared growth, decent jobs, and economic opportunities for all. CAP supports Agenda 2063 by calling for re-prioritization of economic transformation in order to immediately begin to address the development challenges of lack of inclusiveness in the growth and economic opportunities. In this way, it is pivotal to attaining Agenda 2063 successfully.

The immediate goal of the CAP is to influence the ongoing processes, especially the report of the Open Working Group (OWG) on Sustainable Development Goals.

In this regard, UNDP is providing support to the CAP on this through advocacy to sensitize wider audience on the CAP as well as preparing for negotiations by training and transferring skills to African negotiators to enable them to mainstream Africa's priorities into intergovernmental processes successfully.



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Conclusion

Ladies and gentlemen,

Before closing, I would like to reiterate the strong and growing relationship between the UN/UNDP and the G20 in the multiple streams of the development working group.

The world is at a pivotal time in concluding a new development agenda, the strong and supportive role of the G20 already evidenced by the social and developmental targets that the Group has adopted to achieve its medium and long term objectives are encouraging developments.

Finally, the G20 work which has prioritized areas of improvement such as infrastructure investments are also central to realizing lower-income country development. Such movements again reinforce the UN's ability to implement policy and programmes especially within the African and the post 2015 frameworks. Thank you for inviting me.