



Development Working Group

Issue Note



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BACKGROUND

By adopting the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs) in 2015, the international community recognized the need to promote economic growth, environmental protection and social inclusion simultaneously, as the only way to build a better future for the incoming generations.

G20 members have endorsed this commitment in the 2016 G20 Action Plan on the 2030 Agenda for Sustainable Development by nominating the Development Working Group (DWG) as the coordinating body and policy resource for sustainable development across the G20.

More recently, during the SDG Summit in September 2023, the international community reaffirmed this commitment to effectively implement the 2030 Agenda and its SDGs, in a balanced and integrated manner. The 2030 Agenda remains the overarching roadmap for achieving sustainable development and overcoming the multiple challenges we face. The international community must act with urgency to realize its vision as a plan of action for people, planet, prosperity, peace and partnership, leaving no one behind.

In our current context of intricate global challenges, such as climate change, the persistence of poverty and hunger and a growing demand for natural resources, the importance of promoting the three dimensions of sustainable development - social, economic and environmental -, including the imperative of poverty eradication, gains unprecedented prominence on international agendas.

The economic setbacks since 2020 have resulted in the largest increase in extreme poverty in recent times. After decades of steady decline in the number of people living in extreme poverty, in 2020, due to the effects of the COVID-19 Pandemic, there was a reversal of this trend, with 70 million people falling under the extreme poverty line, to a staggering total of 700 million people in extreme poverty worldwide. For the first time in many decades, the extreme poverty rate rose, from 8.4 percent of the world population in 2019 to 9.3 percent of the world population in 2020.

Even though we are in the road to recovery, having recently reached pre-pandemic levels of extreme poverty worldwide at 690 million people below poverty line, recovery has been uneven and 3 years of the fight against extreme poverty were wasted. Although Middle Income Countries are back to 2019 levels of extreme poverty, the poverty rate has actually increased in Low Income Countries.

The G20, as a forum of the world's largest economies, has a unique and influential role to play in addressing those challenges and shaping the global agenda for a more sustainable and equitable future.

First and foremost, economic sustainability must be a core focus. Sustainable economic development is not merely about maximizing growth but also about ensuring that this



growth is inclusive and does not come at the expense of future generations. Equally crucial is the dimension of social sustainability. The G20 must recognize that economic growth alone is insufficient if it does not improve the quality of life for all citizens. Social inclusion, access to education, healthcare, and decent work are essential components of a sustainable society. Addressing these issues not only enhances the well-being of individuals but also fosters social stability and cohesion. Furthermore, environmental sustainability is another urgent imperative. Climate change, biodiversity loss and pollution pose formidable challenges to the world. The G20, through its policies and actions, must demonstrate leadership in reducing greenhouse gas emissions, promoting clean energy sources and the conservation and sustainable use of ecosystems. These efforts are not only critical for the environment but also for the long-term resilience of economies and societies

We must recognize and act upon the interdependence of the economic, social, and environmental dimensions of sustainable development. By prioritizing these three pillars, the G20 can contribute significantly to global efforts to build a prosperous, inclusive, and environmentally responsible world. This commitment not only benefits the member countries but also serves as a beacon of hope and cooperation for the entire international community.

The G20 is the best suited forum to put the Sustainable Development Agenda in its three pillars back to the center of the international agenda. This is not only due to the substantial combined share of the world's GDP and population of G20 countries. More importantly, the G20 gathers very different countries, from different regions and different levels of development. The recent inclusion of the African Union as a permanent member of the G20, during the Indian presidency, contributed to further increasing the group's diversity and representation. This is critical because the global solutions we need will only emerge from enhanced dialogue, including many different voices. Moreover, the G20 has the power to mobilize resources and expertise to address global challenges effectively. Whether it is supporting developing countries in their sustainable development efforts, promoting technology transfer, or facilitating knowledge sharing, the G20 can play a crucial role in accelerating progress towards sustainable development.

Under the motto “Building a Just World and a Sustainable Planet”, the Brazilian G20 Presidency has elected as priorities: social inclusion and the fight against hunger; energy transition and sustainable development in its three aspects (social, economic and environmental); and reform of global governance institutions, which are all in line with the comprehensive, far-reaching, people-centered, indivisible and interlinked nature of the 2030 Agenda for Sustainable Development.

In order to address our common crises and challenges, the DWG under the Brazilian Presidency will have three priorities. The first overall priority is fighting inequalities, which Brazil considers to be the root cause of all the issues addressed by the 2030 Agenda. Another priority will be provision of basic services, specially access to sanitation. The



other priority will be partnerships for the 2030 Agenda, in particular Trilateral Cooperation.

Priorities

PRIORITY 1: FIGHTING INEQUALITIES

As President Lula said in his inaugural speech at the 78th United Nations General Assembly, “If we had to summarize [our common] challenges in a single word, it would be inequality”. It is either the root cause of all of the issues addressed by the 2030 Agenda or makes them harder to solve. Therefore, reducing inequalities can help achieve all SDGs and achieving other SDGs can help reducing inequality (SDG 10). For example, taxing the rich for their carbon print – as they are responsible for almost half of carbon emissions – would help reducing emissions and finance decarbonisation (SDG 13). By providing quality education to all children (SDG 4), uplifting women and girls (SDG 5), taking people out of extreme poverty and food insecurity (SDGs 1 and 2), we are also promoting more equality. A reinvigorated and reformed multilateral system should address inequalities between countries (SDGs 16 and 17).

Inequality also gets in the way of implementing sustainable, inclusive and just transitions globally, while leaving no one behind. While lifting people out of poverty could mean an increase in carbon emissions, doing so by reducing inequality could offset some of those effects. For example, it is estimated that to meet the 3% target of poverty reduction set by SDG 1, there would be a necessity to raise global carbon emissions by 4.9%. However, if poverty eradication policies are combined with fighting inequality, the need for increasing carbon lowers to 1,8%. Reducing inequalities is a way to close the gap between poverty eradication and climate mitigation needs.

However, gender, race, class, disability status, origin and other intersection inequalities contribute largely to the social and economic exclusion of specific groups who face discrimination and fewer economic opportunities around the world. This situation is made worse by inequality between countries, in a context in which developing countries, and particular the least developed ones are facing lower rates of growth and debt distress, making it harder for them to invest in developmental policies that could address the deep rooted causes of inequalities.

Inequality is on the rise worldwide due to several crises and challenges we face today. The global Gini index was up by 0,7% in 2020, after steady decline since 1990¹. The increase in inequality is also happening in unequal way among countries: the Gini index



has actually decreased in countries that implemented effective social protection policies during the pandemic, while it has increased in poorer countries that did not have that fiscal space and where the poorest were hit the hardest by the economic effects of the COVID-19 pandemic.

Reducing global inequalities require both that poorer countries close the gap to wealthier ones and also that the poorest people in each country get closer to their richer nationals. In order to achieve this, we must promote universal social inclusion and ensure equal opportunities to people, irrespective of age, gender, disability, race, ethnicity, origin, religion or economic or other status.

The G20 should send a strong political message on the need for reducing inequalities. The Agenda 2030 aims at promoting the social, economic and political inclusion of all, by setting targets that are comprehensive, far-reaching, people-centered, indivisible and interlinked, balancing the three dimensions of sustainable development, in an integrated manner. No goal is achieved until all are, while leaving no one behind.

Deliverable:

Development Ministers Declaration on Reducing Inequalities. G20 Development Ministers should send a high level message on the urgent need for more action on the reduction of inequalities. This should be a short, strong and action-oriented document to bring attention of the whole international community on the importance of reducing inequalities and realizing opportunities for all.

PRIORITY 2: ACCESS TO WATER AND SANITATION SERVICES

Access to safe water and sanitation services is a basic human right and essential to human dignity, but a large part of the world population is still left behind on this. Nearly half of the world population, or 3.6 billion people, still lack safe sanitation as of 2020 and 494 million still practice open defecation. Only 8 countries, all of them high income, have reached universal coverage to safely managed sanitation services, which means that almost all of G20 countries still have work to do domestically in safeguarding access to safe sanitation to their population. Despite having recent improvement in this area, in Brazil 15% of the population still lack access to safely managed water and 44% to safely managed sanitation services.

It is crucial to take action towards the achievement of SDG 6. Due to the indivisible nature of SGDs, almost all of the goals are related to SDG 6, such as health and well-being (SDG



3), poverty eradication (SDG 1) and reducing inequalities (SDG 10). There is also the need for more climate resilient sanitation as we deal with the consequences of climate change. Women and girls are also particularly vulnerable and have unequal access to sanitation services, with many still lacking access to menstrual health services. Unfortunately, there is actually less attention and resources dedicated to sanitation, with ODA to water and sanitation falling from US\$ 5,606 billion in 2019 to US\$ 5,033 in 2021.

If current trends persist, only 81% and 67% of the global population will have access to safe water and sanitation services, respectively. To achieve those targets we must urgently accelerate action on improving access to safe water and sanitation services and ensure no one is left behind. G20 members must come together and take actions to urgently accelerate the achievement of SDG6.

PRIORITY 3: TRILATERAL COOPERATION

As we face several crises and challenges that have set us back in the attainment of the goals of the 2030 agenda, there is a need to search for partnerships and different cooperation and finance arrangements in order to multiply the effects of the actions towards the goals. The Brazilian G20 Presidency has set Trilateral Cooperation as one of its priorities, since we posit it as a type of arrangement that has the potential to boost cooperation for development.

Trilateral cooperation usually involves at least 3 cooperation partners: a beneficiary, that seeks support to address a development challenge; a pivotal partner, that provides resources and/or expertise; and a facilitating partner, that connects both parties through financial and/or technical support. Trilateral cooperation offers an opportunity to move beyond traditional provider-recipient dynamics by creating unusual partnerships and also by repositioning the roles of cooperation partners. It can be an avenue of mutual learning of knowledge sharing between developed and developing countries.

Brazil is a large provider of trilateral cooperation through the Brazilian Cooperation Agency (ABC, in Portuguese), under the following principles: i) actions are taken in response to requests made by developing countries; ii) such response is based on foreign policy guidelines and takes into account the specific interests of Brazilian cooperating

institutions; ii) initiatives are focused on developing human skills and expertise, institutional competences, and productive capacities; iii) there is no direct transfer of financial resources to partner countries, but rather the sharing of knowledge and



successful experiences acquired by Brazilian institutions; iv) among others, Brazilian cooperation is guided by the principles of horizontal relationships, neutrality, non-conditionality, and mutual benefits. Brazil also prefers to call it “trilateral cooperation” since all 3 partners are equal and there is no hierarchy among them.

Trilateral cooperation is a way to move beyond traditional North-South logic of cooperation for development, by creating innovative arrangements and mixing up the roles of each cooperation partner, moving from the traditional roles of receiver and provider to a mutually beneficial arrangement where each partner can learn and has an active voice in defining priorities and goals.

We have not unlocked the full potential of trilateral cooperation as a way to accelerate SDG action yet. One of the reasons is there is not awareness among stakeholders, including private ones, about this modality of cooperation. The other one is there isn't much funding related to it yet. The G20 is in a privileged position to bring more political focus to the potential of trilateral cooperation and also to bring more financing into trilateral arrangements.

Deliverable

Establishment of a structured trilateral cooperation initiative, aiming to strengthen capabilities and disseminate good practices among G20 member countries and interested developing nations. The initiative will involve dialogue for functional interaction between instruments and methodologies aimed at collecting, recording, evaluating and reporting cooperation information, which favors the monitoring of actions to achieve the Sustainable Development Goals (SDGs).

The initiative would incorporate the following key elements:

(1) Survey of Successful Practices and Strategies:

Conducting a comprehensive survey of cooperation practices by G20 member countries, highlighting action strategies that have proven to be effective in generating tangible impacts on the SDGs. This process will allow us to identify and share practices that can optimize the application of technical, financial and human resources.

(2) Multiregional Technical Meetings:



Organization of up to three technical meetings (in-person or hybrid), with the participation of cooperation partners and developing countries from different regions. These events will provide a suitable environment for the exchange of knowledge, experiences and best practices in recording, evaluating results and reporting cooperation information. Furthermore, they aim to encourage the construction of cooperation networks between participating countries, promoting an inclusive and comprehensive approach, which allows them to recognize new forms of collaboration and conceive pilot experiences among different actors in international cooperation.

(3) Practical Interaction Activities:

Establishment of practical activities aimed at developing and specializing the participants' capabilities. This will include training activities, technical exchanges and joint initiatives that allow those involved to acquire specific knowledge and practical skills related to the collection, analysis and efficient management of statistical data, in different contexts of sustainable development cooperation practice.

(4) Assessment Methodology:

Presentation and dissemination of methodologies applied for quantitative and impact assessment of different identified cooperation actions. This approach will allow us to broaden the vision of the results achieved, considering a careful assessment of progress in relation to the SDGs and facilitating the continuous adaptation of the initiative as necessary.

WAY FORWARD

- The **1st DWG meeting** will be held in a virtual format from 24 to 25 of January 2024. It will be an opportunity to discuss the Brazilian presidency priorities, collect impressions from members and present the way forward.
- Based on this discussions, the Brazilian Presidency will circulate the building blocks of the 2024 DWG Documents in due time before the 2nd DWG Meeting.



- The **2nd DWG meeting** will be held between 18 and 19 of March in Brasília/DF. During this meeting, the building blocks of the final documents will be discussed.
- Based on these discussions, Brazil will circulate the zero draft of the documents before the 3rd DWG Meeting.
- The **3rd DWG meeting** will be held between 27 and 29 of May in Salvador/BA. During this meeting, we will start negotiations on the zero draft of the final documents.
- The VII Regional Conference on Trilateral Cooperation will be held in May, also in Salvador. Delegates are welcome to join the event.
- If needed, virtual intersessional meeting will continue negotiation on the final documents.
- The **4th DWG meeting** will be held between 21 and 22 July in Rio de Janeiro/RJ. If documents are not finalized until then, we can finish negotiations during this meeting. If drafting is finished before, we can use this meeting to discuss the terms of the Annual Update and its SDS, including the Rio Update, Otherwise, this discussion will be held virtually during the third trimester.
- The Development Ministers Meeting will be held in Rio de Janeiro on 23 July.
- The High Level Event for the Launch of a Global Alliance Against Hunger and Poverty will be in Rio de Janeiro on 24 July.



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