

Reflections on & Proposals for the Italian G20 Presidency by the Italian C20 Organizing Committee

This document was collectively developed by the preliminary core group of the Italian Civil 20 Organizing Committee, currently facilitated by the Italian section of the Global Coalition against Poverty (GCAP). It aims to offer key analytical elements to assess the current conjuncture and provide concrete proposals with respect to proposed priorities for the Italian G20 Presidency.

Pre-crisis context & Analysis of the COVID-19 crisis

Our development challenges did not start and will not end with COVID-19. As clearly exposed by the UN Secretary General's 2020 Progress towards the Sustainable Development Goals, there is significant lack of progress – and even retrogression in critical domains – in advancing the 2030 Agenda. Even before the pandemic hit, many would have claimed that the socio-economic recovery from the past financial crisis remained uneven and incomplete. Not only the COVID-19 crisis found a very fertile ground, but it exposed and magnified a number of critical structural and systemic challenges that have been looming unaddressed for far too long:

1. The crisis is primarily a “real life” crisis (therefore very different from the 2008-2009 crisis) rooted in structural inequalities, fragilities and vulnerabilities:
 - a. The health emergency exposed the lack of preparedness, the impact of decades of either undermining or insufficient development of public health systems and their territorial articulations, and the stringent limitations in terms of properly trained and salaried health personnel as well as access to essential medicines, vaccines, diagnostics and related health technologies;
 - b. The crisis propagated quickly to other critical domains, generating key challenges in terms of food security and nutrition, equal access to inclusive education, inadequate social protection systems, deepening of discrimination against marginalized groups, among others;
 - c. It quickly became a “real economy” crisis, with contraction of demand, drop in commodity prices, loss of employment and job insecurity, wages compression, challenges to workers' safety and rights, and undermining of the productive fabric, while continuing to invest in arms and wars as well as providing protection to private investors;
 - d. The crisis induced deep human, psychological and social implications, with dramatic impact on socially and economically marginal/excluded social groups and communities as well as on middle classes, including tensions between generations and poor confidence in the future;
2. The crisis of care and the magnification of gender inequalities, exposed by unpaid domestic and care work, gender-based violence including harmful practices, women's share of workforce within health/care sectors and informal sectors, uneven gender distribution of care work, disruption of access to life-saving sexual and reproductive health services;
3. The strong climate/food/health nexus, not only for the close connection between human and planetary health and the false short/long term distinction between the health and climate crises, but also for the key role that the destruction of ecosystems and unregulated wildlife trade and encroachment, often due to unsustainable food systems, among the root causes of the pandemic;
4. The depth of structural multidimensional inequalities within and between countries:
 - a. The “Stay-home” message revealed the depth of socio-economic stratifications in all countries, with inequalities within countries trapped by inequalities between countries;
 - b. Fragilities & vulnerabilities: too many living one-school meal away from hunger, too many hand-to-mouth livelihoods, significant segments of populations one-salary away from poverty, too many homes that are not safe for family members; too many countries already trapped humanitarian/protracted crises experience further increase in fragilities against economic, conflict or climate shocks;

- c. The centrality of domestic “real” economies against commodity traps, failure of global value chains, increased forms of precarious employment and higher risk of child labour, deficit of social protection, impoverishment and stalling of internal markets, not excluding the European one;
5. The inconsistency and inadequacy of the mainstream policy orientations:
 - a. The imperative to redirect resources to strengthen public systems after decades of privatization, liberalization and public-private partnerships;
 - b. The unbearable restrictions on policy, fiscal and judicial space of developing countries, with policy space limited by unfair trade, IPR and investment regimes, lack of fiscal resources, also due to illicit financial flows and unsustainable debt burdens, and risk of judicial proceedings for violating ISDS clauses;
 - c. The volatility and unreliability of financing strategies based on private investors (largest outflow of capitals from the global South in recent history), also due to the prevailing orientation of national and regional economic systems favouring export-oriented strategies, without proper assessment of social and environmental impact of global competition regimes;
 6. Fragmentation and asynchrony of responses, with resurgence of national interest over international cooperation, weak and contested multilateral responses and lack of a global citizenship perspective:
 - a. Prevalence of national/nationalistic responses driven by “my country first” approach, affecting resource allocations and distribution chains of medical and food supplies;
 - b. Some countries abused the crisis to consolidate repressive regimes, shrink democratic spaces and reduce civic liberties, and promote a surveillance state;
 - c. Delayed multilateral action, with significant levels of contestations (i.e. WHO), low levels of solidarity and lack of UN decision-making, despite strong appeals by the UN Secretary General, lack of capacity of the humanitarian response system to deal with the scale of the emergency and humanitarian needs;
 - d. Primary calls to action directed towards the G20, the WB, the IMF and other IFIs;
 7. Despite all this, the crisis also witnessed the flourishing of local/national initiatives of solidarity to strengthen responses by local communities and promote local-level innovations to confront immediate challenges.

Scale & scope of responses needed

The combination of the lack of progress to advance the 2030 Agenda and the multi-layered crisis induced by the COVID-19 pandemic requires bold policy responses, in scope and scale, in order to address the immediate emergencies as well as the underlying structural roots of the situation:

1. Need to combine urgent short-term responses, commensurate to the scale of the crisis, with structural/systemic reforms: the global challenge requires common resolve, strong international solidarity, centrality of human rights and UN-centred multilateral process to firmly advance on the pathway towards sustainability, recognizing the intersectionality of the health, climate, care and socio-economic challenges;
2. Immediate investment in global public health and epidemic preparedness, including universal access to strong public health systems, strengthening of global early warning systems to prevent future outbreaks, and the promotion and sharing of public scientific research. This also implies that the treatment and prophylaxis for COVID-19 and other global health threats must be considered as global public goods, with the centrality of UN/WHO in global health governance;

3. Reaffirmation of 2030 Agenda, Paris Agreement and Financing for Development Agenda as the three key pillars on the global sustainable development agenda with critical attention to climate and food justice, women's rights, gender equality and redistribution of care work, adequate and universal social protection, and equity in access to qualitative and global education;
4. Negotiation of a new global consensus and action agenda on the reform of economic, financial and macroeconomic systems and institutions, with special emphasis on tax cooperation to tackle illicit financial flows, responsible borrowing and lending to ensure debt sustainability, financial regulation and de-financialization, and trade, investment and intellectual property rights regimes. These new consensus and action agenda are essential to provide for the policy, fiscal and judicial space to advance the decarbonisation, the just transition and the socio-economic transformation towards vibrant, inclusive, equitable and sustainable societies and economies in restored and enhanced harmony with nature. Such a consensus, to be found in the United Nations as the only universal and legitimate governance forum, should offer the foundational pillar to a reformed and democratized economic governance ecosystem;
5. The responses to the crisis – including the short-term ones - need to be consistent with such a systemic reform agenda. This involves making good use of the substantial funds allocated to recovery plans, ensuring they are used to advance significant progress towards the SDGs and enable a fast and just transition to decarbonisation, and avoiding the risk of paying for the economic recovery with an uncontrolled expansion of emissions and ecological degradation (i.e. biodiversity loss, pollution of the oceans, destruction of the freshwater sources), in the absence of a real transformation of the production system, as happened after 2009. On the contrary, the energy and ecological transition offers a unique opportunity to strengthen the socio-economic transformation towards more inclusive and equitable societies and economies;
6. The response also offers a unique historical opportunity for rethinking and reorganizing Official Development Assistance and the entire aid system in order to urgently and massively increase international aid funds for low and middle-income countries, prioritizing health investments and prevention measures, social protection and food security, and other priority sectors to save lives and limit the outbreak and its economic impacts, while respecting principles for quality assistance;
7. It is also essential to suspend all arms sales and transfers to conflict parties that are not adhering to UN Secretary-General's call for a global ceasefire. This is a fundamental condition to guarantee the management of the crisis in some countries and regions, and ensure that existing efforts for conflict prevention, peacebuilding and reconciliation can reasonably continue.

Our understanding of the role of the G20

The role of the G20 needs to be firmly located in the above-described analysis of the crisis and the within the scope and scale of the responses that are urgently required:

1. The G20 is an international forum for governments and central bank governors which was founded with the aim to discuss policy pertaining to the promotion of international financial stability, recognising the need to bridge the deficit of representative participation by emerging economies within dominant international financial institutions. Hence, our understanding of its primary mandate as being that of contribute to regulating global finance and ensuring that financial systems and flows promote and support concretely the global sustainable development agenda;
2. Over the years, the G20 agenda expanded to address other critical global policy concerns. Our understanding of this expansion is that the G20 should neither replace nor displace the global consensus within the United Nations, but should rather support it with its leadership, policy action within G20 countries and strengthened resource commitments, at home and internationally;
3. However, we recognize that informal fora such as the G20 can play a useful role in increasing understanding among countries and build consensus on accelerating the action needed to advance the agenda for sustainable development and prevent the climate crisis from reaching catastrophic levels.

Proposed priorities for the Italian G20 Presidency

The Civil 20 process involves a wide variety of organizations and networks far beyond the G20 countries. The Civil 20 policy positions and recommendations are therefore collectively developed thanks to a vibrant and inclusive process. However, we understand that hosting the G20 Presidency offers unique opportunities for system-wide national discussions on critical priorities within the current conjuncture. Prior to assuming its coordination function, the Italian C20 Organizing Committee would therefore like to propose the following priorities for the Italian G20 Presidency, as a contribution to the Italian system-wide planning effort:

- 1. Strengthen the G20 support for the 2030 Agenda for Sustainable Development, the Paris Agreement and all related UN systems and processes by:**
 - a. **Launching an ambitious agenda for debt relief and long-term debt sustainability** to ensure that developing countries could have the adequate fiscal space to confront their critical development challenges. This would combine short/medium term measures to tackle immediate liquidity challenges with longer-term structural reforms to address solvency issues and restore debt sustainability;
 - b. **Strengthening the Global Health and the Epidemic Preparedness**, by ensuring adequate financial support for a strong multilateral UN-centred framework, coordinated by WHO; increasing public investments in building stronger health systems both “at home” and in countries where they are weaker; increasing investments in responsible and collaborative pharmaceutical R&D, conditioning public funding to affordability and access to all of the resulted medicines, vaccines, diagnostics and related health technologies; and, revisiting WTO intellectual property rules and implementing existing WHO resolutions to impose transparency in the price construction of essential goods so as to secure enhanced price control, starting from drugs and medical devices;
 - c. **Strengthening a renewed commitment of the G20 to save Planet & People from catastrophic climate change**, by ensuring the maximum support to the implementation of the Paris Agreement and all other related UN processes, including all the needed attention to de-carbonization, renewable energy as well as unambiguous environmental and social criteria to regulate finance, trade and investments;
 - d. Paying critical attention, in all its workstreams and deliberations, to human rights; women and girls’ rights and gender equality; social, economic, food and climate justice; human mobility; adequate and universal social protection and equitable access to qualitative social services; and global public goods, including health and education for global citizenship. In this respect, it is essential that the global response to COVID-19 supported by the G20 be based on rigorous gender analysis and human-rights approach and involve active dialogue and participation by most affected communities and social groups as well as civil society partners that can help deliver the response and ensure that none is left behind;
 - e. Raising the Development Working Group to Ministerial Level, with the organization of a joint Meeting of Finance and Foreign Affairs/Development Ministers, in order to strengthen the coherence and coordination to advance the sustainable development agenda;
- 2. Strengthen the G20 Accountability Framework and democratic participation in the G20 process:**
 - a. Review and strengthen a clear and transparent accountability framework to monitor progress in the implementation of G20 decisions;
 - b. Deepening the engagement with civil society and other public-interest societal constituencies in all G20 workstreams;
 - c. Promoting the direct participation of communities and social groups primarily affected by the development challenges the G20 aims to respond to.