G-20 Summit 2019 - Osaka Declaration

Why in news?

The annual G-20 summit for 2019 was recently held in Osaka, Japan. The Osaka Declaration of G-20 leaders summed up the key outcomes of the meet.

What are the key takeaways?

- **Terrorism** - The joint statement gave very low priority to terrorism, but the Financial Action Task Force (FATF) got due prominence.
- It welcomed the *UNSC Resolution 2462*, which stresses the essential role of the FATF.
- FATF's crucial role in setting global standards for preventing and combating money laundering, terrorist financing and proliferation financing was noted.
- The declaration called for the full, effective and swift implementation of the FATF standards.
- India has been quite active at the FATF with Pakistan's grey-listing, and China will now hold the chair after the US.
- **Anti-corruption** - The Osaka declaration stressed on economic offenders as part of the anti-corruption theme.
- It noted that the countries would work on a scoping paper on international cooperation dealing with "serious economic offenders" and recovery of stolen assets.
- It committed to intensify efforts to combat foreign bribery and to ensure that each G-20 country has a national law in force for criminalizing foreign bribery as soon as possible.
- The issue has notably been portrayed by the Indian government as a priority objective.

- **Climate change** - Signatories to the Paris Agreement on climate change reaffirmed their commitment to its full implementation.
- It reflected their common but differentiated responsibilities and respective capabilities, in the light of different national circumstances.
- The declaration emphasized the importance of providing financial resources to assist developing countries for both mitigation and adaptation.

- **Climate Change - U.S.** - The U.S. is isolated on climate change for the last two summits since its withdrawal from the Paris climate agreement.

- However, it was able to make its way to get its position reflected in the G-20 statement for the first time.
- [It is quite unprecedented to have a country's position reflected in a multilateral joint statement, especially at the G-20.]
- In the statement, the US reiterated its decision to withdraw from the Paris Agreement as it feels it to be disadvantageous to American workers and taxpayers.
- However, the U.S. reaffirmed its strong commitment to promoting economic growth, energy security and access, and environmental protection.
- The US's position as a world leader in reducing emissions was mentioned in the declaration.
- Notably, US's energy-related CO2 emissions fell by 14% between 2005 and 2017 even as its economy grew by 19.4%.
- This was largely due to the development and deployment of innovative energy technologies.
- **India's priorities** - India's primary concern on terrorism was not given due prominence at G-20 this year.
- But its concerns on black money, cross-border flow of data, Belt and Road Initiative (BRI) and significance of FATF were given due importance.
- India will now have to start thinking about its agenda for 2020, especially since it is going to shape the agenda in 2022 as host of G-20.
- **Quality infrastructure** - The declaration stressed the importance of maximising the positive impact of infrastructure and gave prominence to "sustainability of public finances".
- The mention on impact takes into account environmental and social factors, all of which point towards China's Belt and Road Initiative (BRI).
- The criticism against the Chinese BRI mainly includes unsustainable financing and poor environmental considerations.
- **Trade** – The presence of the challenge of trade protectionism across the world was acknowledged at the summit.
- The G-20 leaders thus committed to ensure a free, fair, non-discriminatory, transparent, predictable and stable trade and investment environment.
- Taking note of the growing risks to the global economy, the leaders also called for a reform of the World Trade Organization (WTO).
- The declaration highlighted the need for carefully calibrated macroeconomic and structural policies designed to country-specific circumstances.
- This is particularly to address excessive current account imbalances and mitigate the risks to achieving the G-20 goal of strong and inclusive growth.
- Besides, the declaration called for the IMF to expedite its work on its resources and governance reform on a priority basis.
- It also urged the IMF and the World Bank Group to continue efforts to

strengthen borrowers' capacity in the area of debt recording, monitoring and reporting.
- G-20 further said that it would intensify its efforts for a consensus-based solution on tax challenges arising from digitalisation with a report by 2020.

Source: Indian Express, New York Times

Quick Facts

UNSC Resolution 2462

- The UN Security Council recently adopted the Resolution 2462, which was initiated by France.
- It is intended to update existing resolutions and adapt them to new forms of financing of terrorism and new challenges in this field.
- In this regard, it calls upon countries to prevent and counter the financing of terrorism, especially in its new forms.
- It also calls for enhancing the traceability and transparency of financial transactions.
- Resolution 1373 was the first comprehensive resolution imposing obligations on all states to respond to the global threat of terrorism.
- It was adopted in 2001, in response to the September 11 terrorist attacks in the US.
- Resolution 2462 also affirms the Resolution 1373 and in particular, its decisions on countries to prevent financing of terrorist acts and to refrain from providing any of support in that regard.

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