Key Takeaways from G20 Summit 2023

Why in news?

The recently concluded G20 Summit at New Delhi saw the participation of leaders from the most powerful nations leading to the adoption of New Delhi Declaration.

What is G20?

> *The G20 countries together account for 85% of the global GDP, over 75% of global trade, and about 2/3rd of the world population.*

- It is an international forum that brings together the world's leading industrialised and emerging economies.
- **Launch-** Established in 1999 after the *Asian financial crisis* as a regular forum for Finance Ministers and Central Bank Governors.
- **Aim**- To study, review, and promote high level discussion of policy issues pertaining to *international financial stability.*
- **Objectives-**
  - *Policy coordination* between its members in order to achieve global economic stability, sustainable growth;
  - To promote *financial regulations* that reduce risks and prevent future financial crises; and
  - To create a new *international financial architecture*
- **Member-** It comprises of *19 countries* (Canada, France, Germany, Italy, Japan, UK, US, Russia, Australia, Canada, Saudi Arabia, India, South Africa, Turkey, Argentina, Brazil, Mexico, China and Indonesia) and *European Union.*



- The group *does not have permanent secretariat*.
- **Presidency**- The President is chosen by a rotation system amongst the member countries.
  - *India holds the Presidency* of the G20 from December 2022 to 30 November 2023.
- **Troika-** It comprises of the past, present, and future presidents.
  - Troika 2023 includes *Indonesia, India, and Brazil.*
- **Guest-** Every year, the host country chooses other guests.
- *Spain* always participates in the G20 summits.
- **Working structure**-
  - **Finance track**- Meets 4 times in a year.
  - **Sherpa track-** Established after the inception of G20 Leaders' Summit in 2008.

It covers non-financial issues.
- **Engagement groups-** An unofficial track comprising non-government participants from each member country.

G20 India Presidency
• **Theme-** '*One Earth One Family One Future'.* • It means '*Vasudhaiva Kutumbakam'* (the whole earth is a family) written in Devanagari script. • The theme is drawn from the ancient Sanskrit text of the ***Maha Upanishad.*** • **Guest countries-** India has invited Bangladesh, Egypt, Mauritius, the Netherlands, Nigeria, Oman, Singapore, Spain and UAE as guest countries during its G20 presidency.

To know more about formation of G20 click here

What does G20 Presidency entail?

- The Presidency
  - Is responsible for bringing together the G20 agenda, organising its workings
  - Gets to host various meetings and the G20 Leaders' Summit
  - Is in charge of all logistics and in absence of a permanent secretariat, provides the human and material resources to successfully conduct the workings of the forum
  - Has the prerogative to send invitations to guest countries and organisations to take part in G20 processes for the year
  - Allows the country to determine the workings of the group for a year.
- India's G20 presidency resulted in adoption of ***New Delhi Declaration*.**

What are the key outcomes of New Delhi Declaration?

- India achieved a unanimous "New Delhi Leaders' Summit Declaration" on all developmental and geopolitical matters.
- The declaration reflects India's motto of "Sabka Saath, Sabka Vikas, Sabka Vishwas" –"Together with all, Development for all, Trust of all", which resonates with the spirit of multilateralism and inclusiveness.

Outcomes	Description	Significance
Russia-Ukraine War	• G20 nations agreed that states cannot grab territory by force and highlighted the suffering of the people of Ukraine, but avoided direct criticism of Russia for the war.	• India along with Brazil, Indonesia and South Africa, played a key role in avoiding a fracturing of the G20 over the Ukraine conflict, reflecting the growing power of the Global South developing nations in the group.

Inclusion of African Union	• The 55-member African Union was formally made permanent member of the G20, on par with the European Union, in order to make the grouping more representative. • Until now only South Africa was a member of the G20.	• The entry of the AU would provide greater voice to the Global South within the G20 where the G7 countries have long played a dominant role. To know more about India's G20 Presidency and focus on Africa click here
India-Middle East-Europe Economic Corridor (IMEE-EC)	• A multinational rail and shipping project linking India with the Middle East and Europe has been announced. • The corridor would include *India, Saudi Arabia, the United Arab Emirates, Jordan, Israel and the European Union*.	• It will challenge China's economic ambitions in the region. • It aims to boost trade, deliver energy resources and improve digital connectivity.
Climate change	• The G20 leaders agreed to pursue *tripling renewable energy capacity globally by 2030* and accepted the need to phase-down unabated coal power. • It stressed the urgency of mobilizing "US$5.8-5.9 trillion in the pre-2030 period for developing countries" and "US$4 trillion per year for clean energy technologies by 2030.	• It will help countries to attain net-zero emissions by 2050.
Green Development Pact	The declaration • Envisages a green development pact • Endorses high-level principles on lifestyle • Voluntary principles of hydrogen • *Chennai principles* for a sustainable resilient blue economy • *Deccan principles* on food security and nutrition among others	Objectives of this move involves • Sustainable development • Resilient blue economy • Food security and nutrition • Climate financing
Global bio fuel alliance	• It is an alliance driven by *India, the United States, and Brazil,* is a concerted effort to address pressing energy and economic challenges through sustainable biofuels.	• The inauguration of the Global Biofuel Alliance at the G20 Summit signifies a pivotal moment in the pursuit of sustainable energy solutions.

Digital Public Infrastructure (DPI)	• ***A G20 Framework for Systems of Digital Public Infrastructure***, a voluntary framework for the development, deployment and governance of DPI has been unanimously accepted. • The declaration also mentions the approval of India's plan to build and maintain ***Global Digital Public Infrastructure Repository.*** • The declaration takes note of the proposal to create ***One Future Alliance***, a voluntary initiative.	• The repository will be a virtual stack where non-G20 and G-20 countries can voluntarily share their open-source mechanisms. • One Future Alliance will assist and fund the implementation of digital public infrastructure in low and middle income countries.
Reform of Multilateral Development Banks	• The member countries endorsed the G20 Roadmap for Implementing the Recommendations of the G20 Independent Review of MDBs Capital Adequacy Frameworks and called for its implementation.	• The Capital Adequacy Frameworks (CAF) recommendations are focused on enabling MDBs to use the existing resources effectively.
G20 Satellite Mission	• India has proposed to launch the G20 satellite mission for environment and climate observation	• It aims to help the countries of Global South for environment and climate observation.

What are the major misses in the G20 Summit?

- **Transport corridor** - There were no details about financing or a time frame for the project that involved laying down railway lines in the Middle East and then connecting them to India by port.
- **Biofuel Alliance** - India currently battles deep malnutrition, hyper food inflation and bad harvests.
- Converting arable land for ethanol production seems to please the US which has major interest in biofuel.
- **Climate change** – The G20 nations collectively contribute to approximately 80% of global emissions.
- However, the leaders at the G20 Summit did not reach a consensus on the phase-out of fossil fuels.
- It also did not provide any plan to amend existing policies and targets in order to achieve the target of ramping of renewables.
- **Absence of leaders**- This year's summit is notable for the absence of Chinese President Xi Jinping and Russian President Vladimir Putin.
- **Global financial system reforms** - The summit talked about restructuring the global financial system that was devised in the Bretton Woods Conference at the end of World War II but there are no timelines or an action plan.
- **Debt** - Relief is needed for the countries struggling with debt row, but no concrete steps were announced.

- International aid agency Oxfam called the summit “uninspiring and underwhelming” with no action being taken to tackle poverty, inequality and climate change.
- **Russia Ukraine War**- Ukraine criticised the New Delhi Leaders' Declaration as it did not explicitly mention Russia's aggression towards Ukraine.

What lies ahead?

- **2024 Presidency**- India has formally handed over the G20 presidency to ***Brazil.***
- The next G20 summit is in *Rio de Janeiro, Brazil*, in 2024, with President Luiz Inacio Lula da Silva taking over the presidency.
- **Agenda priorities**-
    - Social inclusion and the fight against hunger
    - Energy transition and sustainable development in its social, economic and environmental aspects
    - Reform of the global governance institutions

References

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3. Reuters | Key takeaways from the 2023 G20 summit

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