The G20 and Development

ODI, London
27 October 2010
The G20 and Development

- Lessons learnt
- International context
- Financing for development
- Financial system reform
- Global Green New Deal
- G20 achievements development-friendly
- Reforms unfinished, inadequate
- G20 key development pillars
- G20 FfD initiatives?
Lessons learnt

• Developmental, counter-cyclical macroeconomic policy
• National ownership of development strategies; need policy space
• Sustained + inclusive growth based on dynamic structural change and employment generation
• Universal social protection (MDGs+) affordable
International context

Sufficient financing for development
Coherent, enabling development friendly international policy environment
Supportive international frameworks for trade, taxation, technology, debt resolution, climate change mitigation + adaptation for sustainable development
Financing for development

- Domestic resource mobilization, including taxation
- Trade: Developmental Round
- Aid effectiveness
- Debt workouts → sustainability
- Access to international capital
- Systemic issues, incl. governance
Global Green New Deal

- **New Deal** for recovery, social protection, jobs, infrastructure, development
- **Green**: more job creation from renewable energy (compared to fossil fuel energy)
- **Global**: cross-subsidization (e.g. regional feed-in tariffs, scale economies)
- Need public invt to induce private invt
- Cheap credit $\rightarrow$ over-investment $\rightarrow$ under-utilized capacity $\rightarrow$ private investor reluctance $\rightarrow$ public investment needed
G20 achievements development-friendly

• Coordinate monetary, fiscal stimuli
• Sustain recovery efforts
• Limit protectionism
• Strengthen IMF, governance reform
• Strong, sustained, balanced, resilient growth framework
• Financial safety nets: FCL, PCL
• Financial inclusion
Reforms unfinished, inadequate

- International macroeconomic coordination
  - fiscal consolidation
  - global imbalances
  - exchange rates
- Limit executive remuneration
- Ensure effective + coherent financial regulation (Basel 3, FSB)
- Reform international financial system
G20 key development pillars

- Infrastructure investment: development finance
- Private investment + job creation S vs D
- HRD: education (Unesco), training (ILO)
- Trade: A4T, DFQF
- Financial inclusion: beyond microcredit UN
- Growth with resilience: vulnerability?
- Food security: financing?
- Governance: developmental?
- Knowledge sharing platform: Apps vs knowledge management
G20 FfD initiatives?

- Better mobilize private capital for **infrastructure financing** (EIB, bonds)
- **Innovative** financing for development
- Framework (for Strong, Sustainable, Balanced Economic Growth) + financial safety nets to include: **consistently counter-cyclical** policies, institutions, instruments, mechanisms
- **SDR emissions**: liquidity, counter-cyclical, developmental?
Will G20 support inclusive multilateral initiatives for:
- greater international tax cooperation
- more effective debt workouts

FSB: ‘Basel 3’ not real investment, development friendly

WTO GATS FSA review regulatory issues

Commodity (food) price volatility issues

TRIPs flexibilities to ensure inclusive innovation, facilitate technology transfer
Thank you

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UN-DESA www.un.org

• Policy briefs
• Research papers
• Other documents

Acknowledgements: UN-DESA