

IMPORTANT NEWS

Global Climate Finance Agenda will Remain a Key Issue

G20 has played a central role in escalating the actions required to fulfill the SDGs and the Paris Agreement targets as the need for infrastructure investment in Asia and Pacific is estimated at \$26.2 trillion, including climate change measures. In this context, G20 countries launched the Green Growth Action Alliance in 2012 and initiated the Green Finance Study Group in 2016 to mobilize green finances. The forum also established the Climate Sustainability Working Group during 2018 to focus on climate finance. Additionally, Italian presidency is focusing on developing resilient models for sustainable recovery from COVID-19 pandemic and use global financial flows towards achieving the Paris targets. Italian Presidency is also renewing the G20 Sustainable Finance Study Group after a two-year suspension. The group will be co-chaired by the People's Bank of China and the US Treasury.

Source: "Global Climate Finance Agenda: Can the G20 pave the way?" Financial Express, 19th January 2021, available at <<https://www.financialexpress.com/opinion/global-climate-finance-agenda-can-the-g20-pave-the-way/2173546/>>

"China, US to Co-Chair G20 Sustainable Finance Study Group" Regulation Asia, 3rd March, 2021, available at <<https://www.regulationasia.com/china-us-to-co-chair-g20-sustainable-finance-study-group/>>

First G20 Finance Ministers Meeting under Italian Presidency: India's FM Attended Virtually

India's Finance Minister, Ms. Nirmala Sitharaman, participated in the first G20 Finance Ministers and Central Bank Governors meeting conducted virtually by the Italian presidency. The meeting included discussion on policy actions for transformative and equitable recovery, global economic outlook, financial sector issues, financial inclusion and sustainable finance. India's FM spoke about India's policy response to the pandemic and how the policies such as credit guarantees, direct transfers, food guarantees, economic stimulus packages and accelerating structural reform focussed on supporting the citizens. She also urged all G20 members to ensure equitable access to vaccine and shared the status of India's vaccination programme. She also emphasized on transfer of green technologies and scaling up of climate finance.

Source: "FM Nirmala Sitharaman attends G20 Central Bank Governors' Meet", The Economic Times, 27th February, 2021, available at https://economictimes.indiatimes.com/news/economy/policy/fm-nirmala-sitharaman-attends-g20-central-bank-governors-meet/articleshow/81241845.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Italian Presidency aims at Transformative Infrastructure Agenda for Economic Recovery

The Third G20 Infrastructure Working Group meeting under the Italian Presidency outlined some of the key deliverables on digital infrastructure including fostering high-quality broadband connectivity. The Italian Presidency has proposed 'transformative infrastructure agenda' based upon 3P priority framework. The G20 members and OECD discussed the importance of extending high-quality connectivity and identifying policies to strengthen network resilience and eliminate connectivity divides. It was also proposed to progress on sustainable infrastructure, by organizing the G20 Infrastructure Investors Dialogue, in collaboration with the OECD and the D20 Long-Term Investors Club. The working group meeting was paired with workshops organized by the International Affairs Institute (IAI) and Bruegel. The workshops stressed upon the relevance of local governments and adopting a bottom-up approach.

Source: "G20 economic recovery lays on a transformative infrastructure agenda" Mirage News (online), 4th February, 2021, available at <https://www.miragenews.com/g20-economic-recovery-lays-on-a-transformative-509906/>

"The 3rd G20 Infrastructure Working Group meeting focused on local, digital and green infrastructure", g20.org Media, 23rd March, 2021, available at <https://www.g20.org/the-3rd-g20-infrastructure-working-group-meeting-focused-on-local-digital-and-green-infrastructure.html>

Italy Push for Reduction of Remittance Costs at Global Level

In low- and middle-income countries remittances may account for 10 per cent of GDP while the average global cost of remittances is still as high as 6.5 per cent. The UN Agenda of 2030 aims at reducing the transaction costs of migrants' remittances to below 3 per cent by 2030. In this regard, Italian G20 Presidency, the Bank of Italy and the Ministry of Economy and Finance, with the support of the Ministry of Foreign Affairs and International Cooperation have initiated a dialogue among different stakeholders from market and trade associations and revived Intergovernmental Table on Remittances.

In the last week of February, the Table observed its first meeting and contributed to identify public and private measures and devise strategies for conveying remittance flows through formal financial services. These measures should have low costs and include specific financial services as per the migrants' needs.

Source: "Intergovernmental Table on Remittances: Italy's G20 Commitment to Financial Inclusion at Global Level", g20.org Media, 19th March, 2021, available at <https://www.g20.org/intergovernmental-table-on-remittances-italys-g20-commitment-to-financial-inclusion-at-global-level-as-a-means-to-enhance-welfare-and-pursue-sustainable-and-inclusive-growth.html>

G20 EMPOWER Brings Private and Government Together to Advocate Women's Leadership

The G20 Alliance for the Empowerment and Progression of Women's Economic Representation (G20 EMPOWER) was launched in G20 Japan Summit and established during Saudi Presidency. With the support of Italian Department for Equal Opportunities and of the G20 Empower membership, Italian G20 EMPOWER Presidency has launched its plan of work to further progress women empowerment across the three cross-cutting themes of 3P. The Chair of G20 EMPOWER highlighted that "Alliance provides network of "advocates" within the private sector, with the aim of identifying challenges and sharing evidence-based analysis, practical lessons learned, knowledge and best practices that support the greater recruitment and advancement of women as business leaders".

Source: "G20 EMPOWER: advancing women's leadership in Private Sector", *Mirage News (online)*, 2nd February, 2021, available at < <https://www.miragenews.com/g20-empower-advancing-womens-leadership-in-508647/> >

Strong Push for Linking Climate Issues to Economic Recovery is Unfair for Developing Countries

The US and EU have been championing the idea of linking climate issues with economic recovery in the wake of the COVID-19 pandemic at the forthcoming G20 meetings. India feels that this is not the appropriate time to unduly push the climate agenda. The push for 'green recovery' would delay the process of recovery according to Amb. (Mr). P. Harish, Additional Secretary, Ministry of External Affairs, Government of India speaking at a seminar organized by RIS on priorities for growth and stability in the post-COVID world, which the G20 Framework Working Group could adopt. He was concerned about the stringent conditionalities and felt that "there was no need to set a new goal post outside the Paris framework. Paris goals have already been agreed upon multilaterally". In the same Meeting, Dr. Sanjeev Sanyal, Principal Economic Advisor, Ministry of Finance, Government of India added that the pandemic had made the developing countries more vulnerable and attempt to push recovery with conditions was 'unnecessary and risk a Green Colonialism'.

Source: Bhattacharjee, Subhomoy (2021), "India hits out at US on linking Climate issues to recovery", *Business Standard*, 11 April, 2021, available at < https://epaper.business-standard.com/bs_new/index.php?rt=ecommunication/articleview&artview=eMjAyMTA0MArTJBXzAwNjEwNTAwMg==> >

T20 Task Force on Impact of Remote Working on Mental Health

Due to COVID-19, there has been a stark change in the working habits across the globe. T20 Italy Task Force-6 on Social Cohesion and Welfare System presented the study findings with an aim to promote balanced remote working, productivity and well-being. The estimates are based on the US Study that remote working has had 12 per cent positive effect, 50 per cent negative effect and 13 per cent very negative effect on mental health.

Source: T20 Italy Official twitter handle, Twitter, available on < <https://t.co/IDWXJmoMUI>

Second G20 Finance and Central Bank virtual Meeting Outcome

During the second Finance and Central Bank meeting on 7 April, 2021, G20 continued its support and recognised the importance of climate, digitalization, infrastructure, tax and financial support to developing countries. On digitalization, the G20 is preparing a new “Menu of Policy Options” with the special focus on “productivity-enhancing digital transformation”. In addition to FSB existing mandate on Climate Change, G20 confirms the “re-establishment” and upgrading of the G20 Sustainable Finance Study Group to Working Group. In support to quality infrastructure, G20 finance acknowledged the launch of “G20 policy Agenda on infrastructure resilience and maintenance” and further extended the current suspension of debt interest payments for developing countries until end of 2021 as part of DSSI. Also, the Finance ministers of G20 are exploring a global minimum tax on corporate profits.

Source: “Outcome of the Second G20 Finance Meeting”, TUAC News, 13 April, 2021, available at < <https://tuac.org/news/outcome-of-the-second-g20-finance-meeting/>>

“G20 takes step towards global minimum corporate tax rate”, The Guardian, 7 April, 2021, available at < <https://www.theguardian.com/business/2021/apr/07/g20-global-minimum-corporate-tax-rate-finance-ministers-us-avoidance>>

G20 Africa Advisory Group Meeting under the Italian G20 Presidency

The Group, created under the German G20 Presidency in 2017, is responsible for steering policy actions under the G20 “Compact with Africa” (CwA) framework. The Group held its first 2021 meeting under the Italian G20 Finance Track to monitor progress made by Compact with Africa framework and proposing new policy recommendations based on the Compact Monitoring Report. The COVID-19 Pandemic has been disproportionately harsher in developing countries, thus, it is important for G20 Finance Track to play a pivotal role in linking recovery efforts with long term strategies for more inclusive, sustainable and digital societies. The meeting offered to discuss the effectiveness of the crisis response measures to mitigate the impact of the COVID-19 to low income countries and the role of African private sector in financing for development.

Source: “First G20 Africa Advisory Group meeting under the Italian G20 Presidency”, G20 Italia 2021, 15 April, 2021, available at < [https://www.g20.org/first-g20-africa-advisory-group-meeting-under-the-italian-g20-presidency.html#:~:text=On%20Thursday%2015%20April%202021,Africa%E2%80%9D%20\(CwA\)%20framework.>](https://www.g20.org/first-g20-africa-advisory-group-meeting-under-the-italian-g20-presidency.html#:~:text=On%20Thursday%2015%20April%202021,Africa%E2%80%9D%20(CwA)%20framework.>)