

# G20 Policy Calls for Seoul, 2010

World Vision International

World Vision



The G20 has a unique and critical role in international development. This role is complementary to that of other bodies such as the UN, the G8, the World Bank and regional associations. It involves *ensuring that balanced and sustainable growth reaches all people, including the poor*. Narrowing the development gap between the rich and the poor is critical to achieving strong, sustainable and balanced growth in the world economy.<sup>1</sup>

To date the G20 has taken some important decisions to support developing countries but it must go further.

The establishment of the G20 Development Working Group in June and its identification of eight development pillars<sup>2</sup> is welcomed by World Vision. The full realisation of the G20 development agenda will take time, however action is needed and possible now on a number of issues. At the G20 meeting in Seoul, World Vision is calling for action on five priority areas.

1. **Setting an Action Plan for Development** which will shape G20 development efforts over the next two years. This should include:

- making explicit the division of responsibility for the development agenda between the G8 and the G20;
- making the G20 Development Working Group a permanent G20 committee;
- setting out priorities for action over the next two years;
- developing procedures to ensure effective developing country and civil society input into all G20 working groups;
- establishing effective accountability processes for G20 commitments.

2. The G20 has an historic opportunity to **demonstrate leadership in global efforts to improve food security, nutrition and health** for the world's poor children. Building on the momentum of the 2009 L'Aquila food security commitments, the G20 should:

- develop a clear strategy to improve food and nutrition security for the world's poorest people by prioritizing investments in country-led national food security strategies that support small-holder farmers (the majority of whom are women) to sustainably diversify and increase agricultural productivity, increase their incomes and take account of the likely effects of climate change;
- promote policies to strengthen the rights and active participation of smallholder farmers, particularly rural women and children, and other key civil society actors in all food security interventions and the development and implementation of national food security strategies;
- acknowledge that improved nutrition, in particular for women and children under 2 years of age, should be a key outcome of renewed global food security initiatives because of the critical effect of this period on lifelong health;
- recognize the harmful impact of food price volatility<sup>3</sup> on poor, food insecure people and commit to efforts to avert any new global food price crisis and ensure greater stability in global food markets.

A number of G20 countries including Brazil and Mexico have implemented effective strategies for reducing hunger and malnutrition. The lessons they have learned should be incorporated in strategy development.

3. **Establishing a G20 Working Group on Innovative Sources of Finance** to identify and implement an effective mechanism for additional sources of finance for global needs.

The Leading Group on Innovative Financing and Human Development estimates that there is likely to be a shortfall of at least \$300 billion per year in funding for development assistance and developing country climate change needs by 2020. It is clear that new and additional sources of finance need to be established. World Vision agrees with the Leading Group's proposition that the source of this finance should be activities that have benefited from globalization.

#### 4. Taking concrete action to increase fairness in international economic activities, including:

- providing effective tariff and duty free access for products from the poorest countries and eliminating rules of origin that effectively block goods from these countries;
- expanding new institutional and technological approaches to deliver financial services for the poor;
- ensuring that domestic laws penalise the payment of bribes to friends and relatives of government leaders;
- expanding the Extractive Industries Transparency Initiative to cover infrastructure and other industries and provide financial support civil society monitoring of such provisions in developing countries;
- expanding action to help countries recover stolen assets and prevent international tax avoidance;<sup>4</sup>
- providing aid in a predictable, long term and transparent fashion;
- setting a timetable to end direct subsidies to agriculture in G20 countries.

#### 5. Ensuring all G20 countries are on track to achieve the Millennium Development Goals

The emerging G20 economies of Brazil, China, India, Indonesia and Mexico have made amazing progress in recent years, but in some cases still have much to do to improve the welfare of the poor in their own countries. For example around 30% of global child and maternal deaths are in the emerging economies of the G20.<sup>5</sup>

G20 emerging economies should work together to share best practice in order to maximise progress in all MDG areas and the G20 advanced economies should develop strategies to help their fellow G20 members meet their MDG targets. The G20 Development Working Group should report back on progress on this issue at the leaders' summit in France in November 2011.

The G20 Development Working Group should develop a common strategy with the OECD Working Party on Aid effectiveness and make its country members accountable for their obligations on aid.

The global governance of aid on health - which is on the agenda of HLF-4 in Busan 2011 - must be an entry point to achieve the health MDGs. Health must be a tracer sector in order to:

- strengthen country ownership and improve partnerships with donors ;
- empower communities to be part of the making decision process;
- produce evidence-based analysis to support sustainable country health policy/strategy.

---

<sup>1</sup> The poorest 50% of the world population currently has only 1% of global wealth, while the richest 1% has over 40% of global wealth. (UNU 2006 *The World Distribution of Household Wealth*)

<sup>2</sup> The eight pillars are: infrastructure, trade, human resource development, private investment, food security, domestic resource mobilisation, resilience and social protection, knowledge sharing and international and domestic governance.

<sup>3</sup> While the FAO does not expect a repeat of the 2008 food crisis this year, the factors that caused this crisis are still in play and in recent months we have seen an increase in extreme climate related weather events that have impacted on food supplies. The price of staple foods in many developing countries is also still very high. Between August and July this year wheat prices rose between 25 and 50 percent (FAO Statistics), highlighting how quickly the security of the world's food supply can be changed.

<sup>4</sup> For every dollar in official aid, between 5 and 8 dollars leave through illicit flight in developing countries.

<sup>5</sup> UNICEF *State of The World's Children 2009* Table 1