

THE G-20 DECLARATION: THE NEW DELHI DECLARATION

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Abstract

The Delhi Declaration of G20 begins by stating that this is a “defining moment in history” and that G20’s decisions today will affect the future of the people and planet. Don’t dismiss this as typical diplomatic hyperbole, for this recognition of the importance of the moment, and the implications for the long-term, is central to understanding India’s historic role. Before it gets into the substantive elements across domains, the text, agreed upon in entirety by all 20 members, outlines the political, economic and environmental challenges that have engulfed the world. In a clear sign of India’s role in ensuring that the interests of both the global South, which constitute the marginalised within the international order, and the poor and vulnerable who constitute the marginalised within both rich and poor countries, is addressed, the text also lays out clear principles and priorities. The Indian presidency has made it clear that there will be no compromise between fighting poverty and fighting the climate crisis. And themes such as ensuring growth, getting sustainable development goals (SDGs) back on track, battling the climate crisis, preparing for health emergencies, reforming multilateral development banks (MDBs), dealing with the debt crisis, spreading digital public infrastructure (DPI), generating jobs, bridging the gender gap, and giving a voice to the global south dominate the letter and spirit of the document.

Keywords:

G20, SDGS, DPI, MDBs, GDPIR, EU

Introduction

The declaration realises that global economy is at a fragile moment, with “balance of risks tilted downside”. It says G20 members will commit themselves to implementing “well-calibrated monetary, fiscal, financial, and structural policies to promote growth, reduce inequalities and maintain macroeconomic and financial stability”. All countries know that if they wish to achieve strong, sustainable, balanced and inclusive economic growth, they will have “to stay agile and flexible in their policy responses”. G20 Central banks, the text says, have committed to achieve price stability, ensure that inflation expectations remain well anchored, and “communicate policy stances to help limit negative cross-country spillovers”, while G20 members reaffirm that central bank independence is crucial to maintaining policy credibility. On fiscal policy, in line with the outcome at the meeting of the finance ministers, G20 members have said they will “prioritise temporary and targeted fiscal measures to protect the poor and the most vulnerable, while maintaining medium-term fiscal sustainability”.

INCLUSION OF AFRICAN UNION

- The African Union, which represents 55 countries of the African Continent, was admitted as a new member of the G20 in the Summit.
- Till now, only one country from Africa, i.e. South Africa, was part of the G20, unlike Europe, which was represented by five countries as well as the European Union (EU).
- This move is a step towards just, fair, more inclusive and representative global governance with more representation of the African Continent.

GREEN DEVELOPMENT PACT

- G20 leaders adopted a green development pact to accelerate the steps needed to tackle the challenges of environment and climate change.
- It focuses on:
 1. Resource efficiency and the importance of sustainable consumption.
 2. Clean, sustainable, just, affordable, and inclusive energy transition
 3. Climate and sustainable finance.
 4. Ocean-based Blue Economy.
 5. Building disaster-resilient infrastructure

DIGITAL PUBLIC INFRASTRUCTURE

- DPI is the centrepiece of India's G20 Presidency, which aims to advance financial inclusion globally through technology.
- The G20 New Delhi Leaders Declaration agreed on developing a G20 Framework for Systems of DPI. They further welcomed India's plan to build and maintain a Global Digital Public Infrastructure Repository (GDPIR), a virtual repository of DPI for use by other G20 members and beyond.

INTERNATIONAL TAX REFORMS AND CRYPTO REGULATION

- The G20 has reaffirmed its commitment to the swift implementation of the 'Two-Pillar' international tax package.
- In their joint declaration, the G20 leaders agreed to continue cooperation towards a globally fair, sustainable and modern international tax system appropriate to the needs of the 21st century.
- 'Pillar One' allocates certain portion of the taxing right to market jurisdictions, from residential jurisdictions.
- 'Pillar Two' provides for the levy of a global minimum corporate tax rate of 15% on all such big MNCs, whereby any shortfall between such global minimum tax rate and the tax rate in the low tax jurisdiction will have to be paid by such MNCs as a top-up tax.
- Another highlight is joint declaration is the G20's call for the swift implementation of the Crypto-Asset Reporting Framework (CARF) and amendments to the 'Common Reporting Standard' (CRS) for crypto regulation.

CLIMATE FINANCING COMMITMENT

- The G20 Declaration urges all the developed countries to fulfil their commitment to at least double their collective provision of adaptation finance from 2019 levels by 2025, which is in line with the objectives of the UNFCCC and the Paris Agreement
- The G20 leaders agreed to pursue tripling renewable energy capacity globally by 2030 and accepted the need to phase-down unabated coal power.
- The New Delhi Leaders' Declaration acknowledges that the developing world will need \$5.9 trillion till 2030 for its Nationally Determined Contributions, and an additional \$4 trillion each year for clean energy technologies to meet zero emission goals.

MULTILATERAL DEVELOPMENT BANKS (MDBs) REFORMS

- 18th G20 summit was notable for its emphasis on MDB reform, it committed to pursue reforms for better, bigger and more effective MDBs to address global challenges to maximise developmental impact.
- The report issued by G20 noted that there was a need to clarify the processes and procedures for capital deployment and shareholders' response to them. MDBs also need to strengthen the ability of their boards to set capital adequacy policies.
- The declaration noted that the measures suggested could lead to additional lending of \$200 billion over the next decade. Further, the G20 committed to raising more financial resources to boost the World Bank's capacity to provide stronger support to poor countries.

ACTION ON SUSTAINABLE DEVELOPMENT GOALS(SDGs)

• The declaration committed to leverage the G20's convening power and its collective resolve to fully and effectively implement the 2030 Agenda and accelerate progress toward the SDGs in a timely manner to shape the world we want to see for our future generations.

Ten key elements of this commitment include:

- Harnessing Digital Advances
- Mobilising Global Financial Flows:
 - recognises these sectors as potent agents. Role of Tourism and Culture
- Forging Collaborative Pathways
- Responsible Capital Mobilisation:
 - Eliminating Hunger and Malnutrition
 - Mitigating Market Volatility:
- Comprehensive Healthcare Mandate
- Finance-Health Collaboration
- Human Capital Development

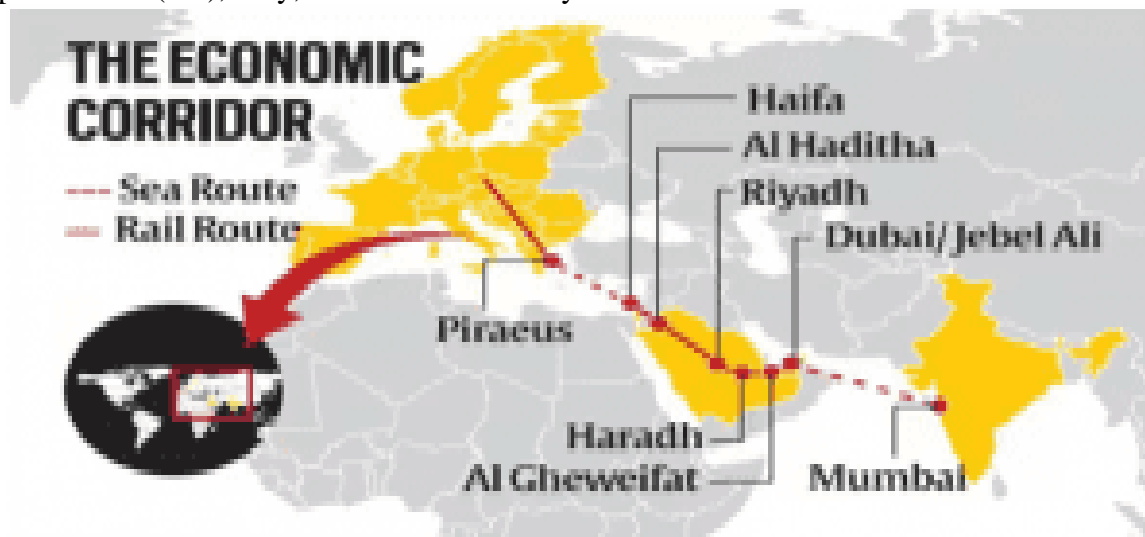
IMPORTANT INITIATIVES TAKEN AT SIDELINES OF G-20 SUMMIT

GLOBAL BIOFUELS ALLIANCE (GBA)

- Indian Prime Minister, along with the leaders of Singapore, Bangladesh, Italy, USA, Brazil, Argentina, Mauritius and UAE, launched the Global Biofuel Alliance on the sidelines of the G20 Summit in New Delhi.
- The Alliance intends to serve as a catalytic platform and fostering global collaboration for the advancement and widespread adoption of biofuels.
- The alliance will also act as a central repository of knowledge and an expert hub.

INDIA – MIDDLE EAST – EUROPE ECONOMIC CORRIDOR (IMEC)

- At a special event on the sidelines of the G20 summit, a memorandum of understanding (MoU) was signed to establish the 'India-Middle East- Europe Economic Corridor' (IMEC).
- Signatories included leaders of India, USA, Saudi Arabia, the United Arab Emirates (UAE), the European Union (EU), Italy, France and Germany.



- The IMEC will consist of railroad, ship-to-rail networks (road and sea) and road transport routes and networks extending across two corridors, that is, the east corridor connecting India to the Gulf, and the northern corridor connecting the Gulf to Europe.

- The project forms part of the Partnership for Global Infrastructure and Investment (PGII) and may serve as a counter to China's economic influence in the Eurasian region.

THE SIGNIFICANCE OF THE SUMMIT SUSTAINABLE AND INCLUSIVE GROWTH

- The 18th G20 Summit has renewed commitment to ensure a level playing field and fair competition by discouraging protectionism and market-distorting practices to foster a favourable trade and investment environment for all.
- New Delhi's Leaders Declaration reaffirm to achieve strong, sustainable, balanced and inclusive growth (SSBIG) that will require policymakers to stay flexible in their policy response, as evidenced during the recent banking turbulence in a few advanced economies.
- It aims to achieve sustainably financed universal social protection coverage and ensure portability of social security benefits through bilateral and multilateral agreements.

STRENGTHEN MULTILATERAL INSTITUTIONS

- G20 affirms to strengthen multilateral institutions that is capable of meeting the needs of developing nations, especially the poorest and most vulnerable ones.
- In this respect, an agreement was reached on a framework for debt relief for Zambia, Ghana, and Ethiopia. As part of the G20's progress on international taxation, work has been done on the exchange of information on immovable properties.
- The proposals to restructure Multilateral Development Bank (MDB) to meet the challenges of the 21st century have been approved by all members. G20 members pledge in the declaration to "pursue reforms for better, bigger and more effective" MDBs in order to "address global challenges to maximize developmental impact."

ACCELERATING PROGRESS ON SUSTAINABLE DEVELOPMENT GOALS (SDGS)

- As we are almost at the halfway point to 2030, and the global progress on SDGs is up with only 12 per cent of the targets on track.
- The 18th G20 summit focuses on resilient and inclusive growth, women's empowerment, and well-being, in addition to sustainable development, health, and education.
- New Delhi Declaration affirms to leverage the G20's convening power and its collective resolve to fully and effectively implement the 2030 Agenda and accelerate progress toward the SDGs, in a timely manner.
- Through a combination of digital transformation, financing, sustainable agriculture, healthcare strengthening, and education, the G20 nations show strong determination towards shaping a sustainable future

ADDRESSING CLIMATE CHANGE

- **G20 leaders committed** to accelerate actions to address environmental crises and challenges of climate change.
- G20 affirm the objective of UNFCCC to tackle climate change by strengthening the full and effective implementation of the Paris Agreement and its temperature goal, reflecting equity and the principle of common but differentiated responsibilities and respective capabilities in light of different national circumstances.
- They aimed to concentrate on financing, reducing global greenhouse gas emissions, working on worldwide biofuel alliance, sustainable development, and eliminating plastic pollution, a green development pact, among other things, to hasten the actions required to address the environmental and climate change issues.

GLOBAL ECONOMIC COOPERATION

- G20 is the premier forum for international economic cooperation and has taken several steps for global economic cooperation for sustainable growth.
- It has taken a call on International taxation, which is a complicated topic that involves global corporations and, increasingly, internet-based companies and transactions.
- According to the declaration, G20 reaffirm the commitment to continue working together toward a globally equitable, sustainable, and contemporary international tax system appropriate to the needs of the 21st century.

A CRITICAL ASSESSMENT OF INDIA'S PRESIDENCY BOOST FOR INDIA'S STATURE

- The Summit has turned out to be a strong reflection of India's rising stature on the global stage, with India achieving this wholesome consensus of New Delhi Declaration even with China and Russia in agreement.
- India, which shares cordial ties with both the West and Russia, has rightfully leveraged its unique status for the global good.

GLOBAL GOVERNANCE AND VOICE FOR GLOBAL SOUTH

- India not only managed to make the G20 a much more dynamic platform, but also revived faith in the ability of multilateral processes and structures to deliver in the sync of global governance agenda.
- India is attempting to maintain a delicate balance between pushing for a fairer distribution of power within the international order and averting the perception that it is supporting anti-Western causes.
- It did so by putting the issue of raising the voice of Global South at the center of the global governance agenda. In the process, it also highlighted its own credentials as a leading player in the global hierarchy.
- It showed India's willingness and its ability to shape global outcomes as opposed to merely being a passive recipient of decisions made by others.

INCLUSION OF AFRICAN UNION AND INDIA'S LEADERSHIP

- One of the highest achievement of India in the G20 summit is admittance of African Union in G20.
- By fostering inclusion of the African Union into the G20, India emerged as a leader in global south, while initiating reform in global governance structures to bring a wider representation of the needs of developing economies.
- Also, the African Union's integration with the G20 creates a bridge transcending socio-economic differences, and unlocks massive opportunities for African economies and the workforce.

INDIA'S LEADERSHIP ON CLIMATE CHANGE

- The 18th G20 summit can be viewed as the “**green summit**” because India is promoting a number of climate policies, such as the Global Biofuels Alliance, “**Mission LiFe**” which promotes the idea of a circular economy, and green hydrogen standards among others.
- In order to promote green funding, India is also urging international development banks to undergo reform.
- India has been a strong advocate for climate action. As the world struggles with the challenge of climate change, India's presidency can help set the tone for global cooperation on this issue.

NON VOICING THE ISSUES OF GLOBAL SOUTH

- India is claiming as a voice of global south but could not address the major issues of global south.
- It should have prioritized and put forward the debt relief issue for the low and middle-income countries. However, it fails to break the deadlock over the issue of debt relief and debt sustainability.
- Common Framework for Debt Treatment was agreed to facilitate the restructuring of low-income countries' debt but the Common Framework remains vague without a roadmap specifying a sequence and timeline of steps.

- Though, G20 countries have committed to work towards tripling global renewable energy capacity by 2030 but India could not manage to force any financial commitment in this regard.
- Also, being the president of the G-20 summit, India should have strongly condemned the Ukraine war at its own level and could have leveraged the platform for joint statements with its Western allies. However, it did not even mention the Russian invasion.

DOMESTIC ISSUES

- Concerns are raised over high budget allocation and spending on the G20 summit as it has been alleged that expenditure was seven times greater than what a developed country like Germany had spent on the same G20 Summit.
- Apart from that, the closure affected all commercial and economic establishments in New Delhi from September 8 to 10, leading to a substantial economic impact. It is also reported that slums were demolished, and street vendors have been ordered to clear out.
- Large billboards with Prime Minister face on them across large part of the country is seen as politicization of the Summit and it has been alleged that the Summit has been executed as an instrument of India's electoral politics.

THE EVALUATION OF THE G-20 SUMMIT NON-BINDING NATURE

- The New Delhi Declaration contains a dozen of grand pronouncements ranging from full and effective implementation of the 2023 Agenda for Sustainable Development to reform of multilateral development banks.
- However, given the lack of binding nature of these pronouncements, there is apprehensions about its implementation as the language in declaration is also phrased as we “call on”, “we commit”, “we recognize”, “we reaffirm” and so on.

SOFTER LANGUAGE ON RUSSIA-UKRAINE WAR

- Though 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.
- The New Delhi declaration is seen as an apparent softening from the position that the G20 took last year in Bali Declaration when it condemned Russia for the war and demanded that it withdraw from Ukraine.
- The New Delhi Declaration called it “the war in Ukraine” and also there was no condemnation of Russia either, unlike earlier.

NO DISCUSSION OF PHASING OUT FOSSIL FUELS

- The G-20 accounts for 93 percent of the world's operating coal plants and 88 percent of new proposed unabated coal power plants.
- The New Delhi Declaration did not push its members on commitments to cut use of fossil fuels and end construction of new coal power plants and leaders at the Summit did not reach any 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.

LOOPHOLES IN IMEC

- One of the major announcements during the G20 summit is the launching of ambitious economic corridor linking the EU, Middle East and India seen as a geopolitical rival to the Chinese Belt and Road Initiative.
- US President called it “a really big deal”, but there is no timeline to its completion and no details are available yet about the funding.

ABSENCE OF LEADERS

- This year's summit is notable for the absence of Chinese President Xi Jinping and Russian President Vladimir Putin and were represented by Foreign Ministers.
- The absence of such important leaders can be one of the indications of disagreements and can create issues in the implementation of the declaration.

THE WAY FORWARD

- **Networking and collaboration:** For successful implementation of the Delhi declaration, there is a need for collective actions and collaboration among all the partner countries. With proper networking and collaboration, challenges can be tackled and will build a safer, stronger, more resilient, inclusive and healthier future.
- **Global balance of power:** G20's membership is still more representative of the current international balance of power than other multilateral institutions, especially with the inclusion of the African Union. There is a need for a more open, stable, and transparent rules-based order to achieve strong, sustainable and balanced global growth.
- **Implementation of declaration:** It is known that the declaration is non-binding in nature. However, there is need for scaling up the efforts in mobilising large pools of global capital for sustainable projects, particularly in emerging and developing economies.
- **Ensuring multilateralism:** Global challenges of the 21st century can only be addressed through multilateralism and reforms in multilateral institutions and international cooperation. G20 leaders can unanimously force UN institutions to be "more responsive" to the entire membership. They can work together to make the global governance "more representative, effective, transparent and accountable.
- **Addressing Climate issues:** While the progress is good, a timely commitment on both the renewable energy target and allocation of finance to energy and developing countries will strengthen the commitment from nations on the climate crisis.

THE CONCLUSION

The 18th G20 Leaders' Summit, bolstered bilateral ties between India and numerous other nations through the signing of business deals, forging defense partnerships, and fostering strong leader-to-leader relationships. The increased voice of global south and the increased participation of the developing world is an indication that can change the agenda of global action and partnership in near future. Explain the major features of the G-20 Summit Declaration, 2023. Can we say that the declaration has opened a new window for reformed multilateralism in a highly polarized world? Argue. "India has emerged as the leader of the Global South". Examine the statement in light of India's presidency of the G-20 Group of Nations.

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