



सुशासन संस्थान



RIS
Research and Information System
for Developing Countries
विकासशील देशों की अनुसंधान एवं सूचना प्रणाली



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विशेष थिंक 20 कार्यक्रम

Special Think 20 Event

पर्यावरण सम्मत जीवन शैली (LiFE) - नैतिक मूल्य
तथा सुमंगलम युक्त वैश्विक सुशासन

संरचना, वित्त तथा तकनीकी क्षेत्र में सहयोग का संचार

16-17 जनवरी 2023

कुशाभाऊ ठाकरे इंटरनेशनल कन्वेंशन सेंटर (केबीटीआईसीसी), भोपाल

**Global Governance with LiFE
Values and Wellbeing**

Fostering Cooperation in Framework, Finance and Technology

16-17 January 2023

Kushabhau Thakre International Convention Centre (KBTICC), Bhopal

BHOPAL DECLARATION

वसुधैव कुटुम्बकम्

ONE EARTH • ONE FAMILY • ONE FUTURE

Bhopal Declaration

Research and Information System for Developing Countries (RIS), in collaboration with T20, U20, Government of Madhya Pradesh, Atal Bihari Vajpayee Institute of Good Governance and Policy Analysis (AIGGPA), United Nations International Children's Emergency Fund (UNICEF), Global Development Centre (GDC) at RIS, Bill & Melinda Gates Foundation (BMGF) organised a two-day Special T20 programme on '**Global Governance with LiFE, Values and Wellbeing : *Fostering Cooperation in Framework, Finance and Technology***' on January 16-17, 2023 at Kushabhau Thakre International Convention Centre (KTICC), Bhopal, Madhya Pradesh.

Background

India has taken over G20 Presidency from Indonesia at a critical juncture where it has to address spill-over effects of COVID-19 and the on-going geo-political crisis. Indian G20 Presidency is making all-out efforts to go beyond short-term crisis management and focus on more longer-term issues of structural transformation in global governance towards inclusive, resilient and sustainable outcomes. Prime Minister of India Shri Narendra Modi's message of healing, harmony and hope for the G20 would shape activities and deliverables of the Indian G20 Presidency. The theme of the Indian G20 Presidency, "One Earth, One Family, One Future" and the emphasis on "Lifestyle for Environment" have set the mandate towards a coherent agenda of sustainable development, climate action and climate justice. This philosophy gives the Indian Presidency immense opportunities for building consensus in a fractured world.

Global Economic Scenario – Need for Alternative Solutions

The world is passing through turbulent times of multiple crises- food, fuel and pandemics. Post-COVID recovery has become uncertain and prolonged, and progress in SDGs has reversed and slowed down drastically across many countries of the world. Significant positive changes made in areas like poverty reduction, maternal and child health, access to electricity and gender equality in the pre-COVID years no longer serve as the basis on which we can build a plan of action for further progress on SDGs by 2030. Shrinking fiscal space coupled with growing debt service burden has widened SDG financing gaps across

countries, in particular LDCs and SIDS. Higher prices of food, energy and essential services have pushed millions of people in developing countries to poverty and caused distress migration. While short-term crisis financing has been the conventional solution to such types of crises in the past, a radical course correction in the form of a new value-based development paradigm is more desirable now than ever before. Breaking the decades of dominance of neo-classical growth models, the new development transformation must assign emphasis on social, environmental, cultural and ethical factors of wellbeing than per capita income alone.

The new paradigm should involve change in the way new enablers like infrastructure, environment, health, role of women, investing in children, traditional medicine, etc. are to be factored. For instance, many physical and social infrastructure investments have positive financial returns but involve long gestation periods which have implications for SDGs. Achieving SDGs will require access to affordable, long-term and stable sources of financing infrastructure and other development projects. Innovative sources of funding, both at the domestic level and the global level involving National Development Banks, PPPs and private sector entities, need to be scaled up. Augmenting capital resources of MDBs, which is being deliberated at length in the recent years, can help to meet growing demands for development and SDG financing.

Gross Domestic Product (GDP) has been used widely by the countries as a single indicator of development with a high degree of faith that higher economic growth would ultimately manifest in higher income, address social problems, reduce inequality, and so on. Contrary to that, poverty and inequality have persisted in many part of the world for decades especially in the developing countries, LDCs and SIDS, and most importantly traditional growth models have failed in addressing social vulnerability. At the societal level, countries continue to grapple with adverse climate change, biodiversity loss, lack of access to basic amenities, social inequality, and increased stress even in periods of high growth. There has been a growing recognition of the need to complement purely GDP-based progress with alternative measures of societal progress.

The environmental & ecological products like air, water, forests, wildlife may not be part of the market, but it is now evident that degradation of those would adversely affect environment and wellbeing. Education and health are greatly interwoven with the wellbeing of people. The COVID-19 pandemic and consequent health crisis, unequal burdens on LDCs, uneven growth across countries, supply-chain disruptions have further, etc. necessitated the need for comprehensive discussion on the multidimensional nature of development.

On the health front, in the last two decades traditional and complementary medicine has received much traction for global cooperation on formulation of national policies and regulations as part of national health systems. Emphasis has shifted to green pharmacy for greater health resilience through traditional herbal medicines. Environmental and other challenges, the spread of zoonotic diseases, etc. make it necessary to take a ‘One Health’ approach. Antimicrobial resistance continues to be a major problem. Using the One Health approach, regional and transnational cooperation in health surveillance can be encouraged. It will also strive to strengthen cooperation in the pharmaceutical sector to ensure the availability of essential medicines in every country. The use of technologies, particularly digital health in the realm of healthcare will ensure access to medical care at affordable cost.

While trade and investment are conventional instruments of bilateral and multilateral relations, the changing economic landscape with rapid spread and deepening of global value chains are attracting countries to offer and expect higher market access from each other. Women-led entrepreneurship and collective economic empowerment schemes in various parts of the world have generated hope for inclusive and resilient development strategies. While G20 embraces those issues as priority areas for deliberations, there are demands for change in the structure and process of G20 especially representation of Africa, greater focus on development issues, prioritising the agenda and so on.

With participation of around 400 participants including over 90 international speakers, more than 100 experts from different parts of India, and enthusiastic local participation, the T20 Special Event over the past two days marked a significant milestone for T20 India. The rich content and high quality deliberations would certainly become the basis of reference and acted upon by the T20 fraternity and the G20 in the upcoming Working Group deliberations and ministerial tracks.

Key Recommendations

Based on the deliberations in various sessions of the conference, the following recommendations are drawn as key action points for the T20 to consider:

LiFE and Value-based Development Paradigm

- The development path pursued hitherto has threatened existence of other species, biodiversity and environment. There is a real danger that if we don't make substantial progress towards universal values-based systems and institutions, some of the past gains in

the quality of human life will be reversed. Therefore, adoption of LiFE is deeply connected to value systems and ethical approaches.

- There is need for development transformation to support transitions towards LiFE and responsible consumption.
- Values and ethical considerations should not be treated as residual elements in formulating development strategies; rather they should form the core of the substantive practices in production, technology and financial transactions.
- G20 could consider establishing a network of researchers and advocacy groups to build databases, document best practices, and share expertise for collating inputs for the new development paradigm.
- Economic system approach that promotes growth of corporate entities built on the principles of sustainability, social inclusion, good governance needs to be benchmarked for prioritising sectors and resource allocation. Economic systems transformation is required for achieving SDGs. Further, there is high linkages between economic systems transformation and sustainable development.

Accelerating SDGs

- Developed countries urgently need to fulfill their commitment towards funding SDG progress in developing countries, especially LDCs and SIDS.
- SDG financing should come from a combination of global and domestic sources as also public and private sources. At the global level MDBs, ODA & bilateral arrangements, Global Philanthropies need to augment their capacities to be able to assist SDG financing at the scale desired. Net zero and achieving SDGs is not possible unless adequate external financing is made available.
- Localization of SDGs should assume importance including financing with greater participation of national and local governments, private sector and civil societies.
- Development of local currency markets to support introduction of innovative ways of raising resources would also be crucial in many developing countries.
- Triangular cooperation (TrC) could be promoted to provide a 'broader range of resources, expertise, and capacities' to developing countries on demand-driven basis.

Trade, Investment and Global Value Chains

- Diversification of Global Value Chains (GVCs) is necessary but with special and differential treatment to developing country exporting nations.
- Foreign Direct Investment (FDI) in services, infrastructure sectors and logistics could facilitate effective participation of countries in regional GVCs.
- Sectors having strong trade complementarity could be considered for bilateral and multilateral preferential trade in line with the WTO rules and regulations.
- Services sectors like IT, business consultancy, financial services, healthcare, tourism, etc. possess tremendous potential for trade, investment and job creation calling for concerted action by the G20 countries.

One Health

- Time has come to account for the value of nature and recognise human, animal and plant health in an integrated fashion for strengthening health outcomes.
- G20 should design, implement and monitor programmes, policies and research on antimicrobial resistance (AMR).
- Traditional medicine especially Indian systems of medicine, like Ayurveda, Siddha and Homeopathy (AYUSH), could form a strong pillar of 'One Health' approach. There is an urgent need to launch G20 Forum on Traditional Medicine and take AYUSH and all traditional medicine based global industries forward
- A Forum on Traditional Medicine (FTM) needs to be constituted by G20 for collaboration and cooperation on strengthening traditional medicine for addressing health needs of the member countries and elsewhere.

Children-Our Future

- Global effort should be invested in early childhood development (ECD) to accelerate human capital gains as well as to attain social equity and inclusive economic growth. This includes providing an enabling environment for their access to foundational literacy and numeracy, affordable healthcare including malnutrition. As such, G20 along with developing countries should prioritize child budgets focus on ECD.
- Investing in universal social protection benefits for children – particularly in the early years of childhood.

- These are simple, scalable and sustainable steps in achieving both wellness and oneness as societies and fulfilling the human capital potential of future generations are the new vision of the Indian presidency of the G20.
- There is a need to build adolescence skills including digital literacy to transition into the 21st century job market including tech-driven and green led growth.
- Ensuring participation and action of youth in generating innovative solutions for climate change through LiFE.
- Effective measures should be initiated to prevent child abuse, child labour, and inherent bias against girl child.
- Governments should initiate measures to reduce preventable child deaths, attracting children to school, reducing poverty, nutritious food, all of which will contribute towards building human capital.

Financing Resilient Infrastructure

- The increasing climate related catastrophes like cyclones, floods, etc. have necessitated building climate resilient infrastructure. There is need to adopt life-cycle approach to financing infrastructure considering that they would last to serve 5-6 future generations.
- Fair rules and reporting of Environmental, Social and Governance (ESG) norms in connection with infrastructure projects should be followed.
- Institutional investors like pension funds, sovereign wealth funds, insurance companies, etc. should be incentivized by G20 to invest in developing country infrastructure projects.
- Blended finance, co-financing and other innovative funding instruments need to be popularized as preferred modes of funding, and MDBs should support in scaling up these types of investments.
- There is need to localize development and financing of infrastructure in developing countries and involve private sector and local governments for investment.

Women-Led Development

- G20 should facilitate sharing of expertise and facilitate replication of success stories on financial inclusion, self-employment through income-generating activities, women entrepreneurship, enrolment of higher number of girl children in schools and effective participation of women in various fields of excellence, e.g. sports, defence, space in developing countries.

- G20 initiatives like Women Entrepreneurs Finance Initiative (We-Fi) enabling access to credit and digital empowerment through India-led digital payments like UPI, BHIM, etc. should be scaled up for augmenting contribution of women in the development process.
- Instead of working in silos, W20, We-Fi and T20 should work together for greater coherence and synergistic impact.
- Investment in care infrastructure needs to be encouraged in countries for greater labour force participation.
- There is also a need to have a gender data network by G20.
- Best practices on women-centric development interventions like India's PM Jan Dhan Yojana (PMJDY), one of the biggest financial inclusion initiative in the world, to be showcased and replicated in other G20 countries and other developing countries.
- Ensure gender equality and justice and prevent gender-based domestic violence.

Wellbeing Measurement

- It is an opportune time for G20 countries to engage in discussions with a view to evolve a comprehensive measure of Wellbeing, based on sustainability principles.
- It is desirable to review, compare and assess existing works in the domain of wellbeing metrics and identify gaps that need to be filled. The data requirements also need to be assessed including the periodicity and data infrastructure requirements.
- There should be efforts towards building consensus on the set of indicators and methodological approaches to be adopted in measuring wellbeing. The end-use of such wellbeing metrics – budget process, fiscal strategies, resource allocation, etc. - should determine the choice of indicators.

Inclusive G20

- G20 should promote and act on the voices of the South encompassing a wider spectrum of global governance, access to financial resources, frameworks for dealing with climate change, resolving debt and macroeconomic instability and related areas.
- Being a large and diverse continent, Africa's development priorities should proportionately find place in G20 deliberations than left to the lopsided approach by select groups of countries.

- G20 should explore the modalities of working with the Small Island Developing States (SIDS) and vulnerable economies in fighting climate change and diversifying their economic base.

Global South

- South-South cooperation should be need-based, demand driven and respecting the sovereignty of the partner countries.
- Triangular cooperation should be promoted among governments involving civil society and non-governmental organisations.
- South should increasingly play role in formulation of framework for global governance.
- There is need to put in place a framework for effective participation of developing countries in global production chains to address supply chain disruptions.
