

THEIR VIEW

Business action is critical for the G20 to meet its larger objectives

The B20 recommendations that found place in the G20 leaders' declaration should drive new government-industry synergies



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India's G20 presidency came at a time when the world economy was beset with new challenges in meeting the sustainable development goals. The G20 Leaders' Declaration under Prime Minister Narendra Modi's astute navigation represents momentous progress, with the Indian presidency setting new benchmarks for global collaboration under the G20 India theme of 'Vasudhaiva Kutumbakam' or 'One Earth, One Family, One Future.' It was under the same theme that the Business 20 (B20) engagement group of the G20, representing global businesses, developed a wide range of recommendations to the G20 over the year. Hosted by the Confederation of Indian Industry (CII), the B20 platform brought together about 1,500 members from G20 and invitee countries, and numerous other stakeholders from across the globe. The sub-theme of RAISE—Responsible, Accelerated, Innovative, Sustainable and Equitable Businesses—articulates the current and future priorities identified in B20 deliberations.

The B20 task-forces focused on industry priorities aligned with larger G20 issues. In all, the B20 platform converged on 54 recommendations and 172 policy actions for G20 consideration. It is immensely gratifying to note the close synergy between B20 India proposals and the New Delhi declaration.

One, for financing a global economic recovery, B20 has called for improving MSME access to finance and ensuring funds for sustainable and resilient infrastructure through alternative financing instruments, blended finance and the use of technology and digital platforms. The G20 trade ministers proposed strengthening of an MSME information portal.

Two, on building resilient and inclusive global value chains, the forum asked for crisis mitigation and tech-enabled mechanisms for early risk detection. Services trade was forcefully taken up with recommendations related to superior data and better definitions and transparency in compliance information and procedures. Trade facilitation through technology at scale across borders can help enhance efficiency. All of these were well covered under the trade ministers' outcome document, while the G20 declaration highlighted the need to create inclusive, sustainable and resilient global value chains as well as to promote ease of doing business.

Three, the priority of financial inclusion was emphasized through ecosystem enablers, financial products, and legal and regulatory measures. Digital public infrastructure (DPI) can allow unique single-number digital identification of MSMEs and individuals that is recognized across countries, and help promote financial inclusion. DPI was a key item in the G20 document, with the Indian experience as a model.



Four, the G20 can work on developing skills related to environmental sustainability and climate change adaptation, as well as needs of the care economy. Facilitating global workforce mobility necessitates the removal of policy hindrances and use of technology to enable cross-border labour movement. This was reflected in the leaders' declaration on well-managed skills-based migration pathways and mapping of global skill gaps.

Five, the energy, climate change and resource efficiency forum focused on driving the achievement of net-zero emissions across various industries and suggested industry-specific alliances. The G20 placed great emphasis on expanding the capacity of multilateral development banks to support energy transitions where concessional finance to emerging economies could work well. The document's focus on adaptability and resilience resonated with B20 perspectives on climate change, and differentiated country actions were strongly taken up.

Six, the group accorded high priority to digital transformations, entailing moves to ensure high-quality, high speed and reliable access to the internet. Developing global minimum standards for digital literacy would enable international portability, while an internationally accepted digital toolkit and framework can support MSMEs in their digital transformation. Nations must also work together to promote digital trust by developing harmonized cybersecurity standards and frameworks.

Seven, on tech, innovation and R&D, creating a rich repository of projects can help G20 countries learn, adopt, scale up and collaborate. The G20 could consider a common patent protection mechanism and also set up a centralized patent management mechanism with one application across all G20 countries. A G20 technology collaboration

platform could be instituted to enable tech and R&D transfers across industry, institutes, startups and civil society.

Eight, with ESG as an important future imperative, the B20 recommended a standard set of definitions/ taxonomies to ensure harmonized and transparent ESG frameworks for disclosures, reporting and rating.

Nine, it was greatly heartening that India championed the inclusion of the African Union (AU), ensuring that it became a member of the G20. The B20 recommendations also covered support to education, agricultural transformation, industrialization and trade facilitation and infrastructure development. With the participation of the AU in G20 deliberations from now onwards, these causes would receive a huge impetus.

Apart from inputs for the G20 to consider, B20 India brought forth key business actions to enhance the contribution of industry to global growth.

First, B20 India has proposed a global institute to track recommendations and follow through on their implementation, which would provide continuity across B20 presidencies.

Second, B20 India aims to align sector-specific decarbonization pathways for key sectors.

Third, B20 India recommends the establishment of a Global SDG Acceleration Fund that will draw in private capital for projects towards achieving 2030 goals. This is proposed as a pure credit enhancement fund to help bridge the financing gap across developed and developing economies.

Fourth, the forum compiled a compendium of best practices on innovation use cases to kick off an ongoing portal of technology use for development.

The G20 leaders' declaration has much to offer businesses, particularly in the Global South, and the B20 will continue to work with the G20 on shaping effective policies for inclusive development.