



## **G20 Development Ministers meeting**

**Matera, 29th June 2021**

*Communiqué*

### ***A global response to support COVID-19 recovery in developing countries and foster progress on the 2030 Agenda for Sustainable Development***

1. We, G20 Ministers responsible for Development and International Cooperation, met under the Italian G20 Presidency for the first time to commit to and call for an ambitious, yet concrete, actionable and coordinated, global COVID-19 response to help developing countries overcome the current health, humanitarian and socio-economic crises while drawing efforts towards a better future for all. The 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs), the Addis Ababa Action Agenda (AAAA), the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement are our essential common references for this Communiqué as they provide the shared blueprint for shaping an inclusive, resilient and socially, economically and environmentally sustainable recovery. We reaffirm our commitment to a timely and ambitious implementation of the 2030 Agenda and of the G20 Action Plan on the 2030 Agenda of which the G20 Development Working Group (DWG) is the guardian. The G20 has provided a swift response to the crisis, including assistance towards developing countries, the G20 Support to COVID-19 Response and Recovery in Developing Countries, the significant financial package put forward by G20 countries, the 2021 Matera Declaration on Food Security, Nutrition and Food Systems, and the outcomes of the Global Health Summit in Rome in May 2021. We also recall the importance of addressing the immediate humanitarian consequences of the COVID-19 pandemic through the 2021 Global Humanitarian Overview and we welcome the G20 Ministerial Event on Humanitarian Assistance in Brindisi co-organised by the Italian Presidency and the WFP. We will build upon this coherent and coordinated response in close collaboration with national governments.

2. Despite these efforts, we remain deeply concerned that the crisis has set back progress towards the 2030 Agenda for Sustainable Development and has far-reaching impacts, including backsliding on education, in particular girls' education, and gender equality gains, especially on population groups in vulnerable situations. One of the greatest challenges ahead for the international community is to lay the basis of a sustainable recovery that accelerates progress across all SDGs everywhere, ending poverty and malnutrition in all its forms, creating decent jobs, achieving universal health coverage, reducing inequalities and addressing the causes and consequences of climate change and biodiversity loss, combating corruption and illicit financial flows and developing effective, transparent and accountable institutions at all levels. We are determined to support all developing countries and regions as they face the intertwined health, economic, social and environmental effects of the crisis, and recognizing the specific challenges in Africa, Least Developed Countries and Small Island Developing States. Overcoming the pandemic is a precondition for a stable and lasting global recovery. With new waves of the COVID-19 pandemic and a differing scale and pace of vaccination worldwide, the



recovery is uneven across and within countries. In this regard, we reaffirm the role of extensive COVID-19 immunisation as a global public good and reiterate the need to scale up collaborative efforts to enhance timely, global and equitable access to safe, effective and affordable COVID-19 tools (vaccines, therapeutics, diagnostics, and personal protective equipment), including through working with the ACT-A vaccine pillar (COVAX) supporting efforts to boost and diversify global vaccine-manufacturing capacity and strengthening health systems, as recognised by G20 Leaders at the Global Health Summit. We emphasise our support for global sharing of safe, effective, quality and affordable vaccine doses including working with the ACT-A vaccines pillar (COVAX), when domestic situations permit. We welcome the outcomes of the recent COVAX Advance Market Commitment Summit co-hosted by Japan and GAVI.

3. To achieve these goals, we need to foster an enabling policy environment, strengthen multilateral cooperation and the mobilisation of all possible resources. Actions at global, regional and national levels should support national and sub-national efforts to overcome the crisis and achieve the SDGs. During the Italian G20 Presidency, we are focusing our collaborative efforts on enhancing mobilisation, use and alignment of financing for sustainable development and on strengthening the role of intermediary cities for achieving the SDGs at the local level. Our efforts aim at a strong recovery that is inclusive, resilient and socially, economically and environmentally sustainable, while promoting a One Health approach and the empowerment of women and youth.

#### ***Financing for Sustainable Development***

4. The impacts of the COVID-19 pandemic in developing countries are increasing financing needs while reducing available resources to implement crisis mitigation, recovery measures and the achievement of the SDGs. The G20 is well positioned to lead by example and support international efforts towards a more inclusive and sustainable recovery. Building on our Financing for Sustainable Development (FSD) Framework endorsed in 2020 under the Saudi Presidency, we are committed to promote enhanced mobilization, alignment and impact on the SDGs, of all sources of finance, including domestic resources and ODA in line with existing commitments, as well as South-South and Triangular co-operation initiatives, blended and private sector financing. The G20 has taken important steps to respond to immediate liquidity needs and tackle debt vulnerabilities in developing countries. These include: the final extension of the Debt Service Suspension Initiative (DSSI) to the end of 2021, the Common Framework for Debt Treatments beyond the DSSI, ongoing and upcoming negotiations for an ambitious replenishment of IDA-20, the future African Development Fund replenishment in 2022, and a call for a new general allocation of USD 650 billion of Special Drawing Rights (SDRs) by the IMF and their possible channelling on a voluntary basis to the benefit of vulnerable countries. Complementing this work by the G20 Ministers of Finance, our contribution on FSD focuses on the alignment of all viable resources to the SDGs, and on three complementary areas to improve the use of national financing frameworks, financing instruments and available fiscal space.

5. Well-designed, transparent and country-led financing frameworks are key for the implementation of national and sub-national sustainable development strategies, to align public and private resources towards their objectives and to catalyse private investment in the SDGs, while advancing policy coherence for



sustainable development. As highlighted in the AAAA, Integrated National Financing Frameworks (INFFs) can play a key role in supporting cohesive nationally owned sustainable development strategies. We welcome progress made by over 70 countries in developing INFFs to align finance to national priorities and the SDGs. We support the greater uptake and operationalisation of INFFs, in line with the principle of voluntary adoption, country ownership, alignment to national priorities and tailoring to local contexts, including by promoting policy dialogue and knowledge exchange, technical assistance and capacity building. We take note with appreciation of the UNDP stocktake report on INFFs and we will continue working with partner International Organisations and public and private stakeholders to help developing countries in their efforts on INFFs implementation, also considering, on a voluntary basis, Total Official Support for Sustainable Development (TOSSD) as an inclusive framework that will not dilute commitments already made.

6. Sustainability-linked financial instruments, encompassing bonds, funds and other investment vehicles aimed at advancing sustainable development objectives, including referring to environmental protection, gender equality, social development and sustainable infrastructure and cities, can play an important role in mobilizing finance to reduce the SDG financing gaps in developing countries and become possible long-term financing instruments as part of national and local strategies. We will continue working with relevant stakeholders in all countries to identify and address major constraints hindering the uptake of such instruments and exploring concrete ways to enhance their development impact. We recognise the importance of standards of measuring impact and transparency of investments. In particular, we will look at approaches to tailor bond issuances to local contexts, facilitate raising capital through such financial instruments in developed country capital markets, ensuring country ownership and supporting the development of local capital markets whilst reinforcing countries' debt management capacities, also via dedicated technical assistance programs and knowledge exchange. We encourage issuers and regulators in all countries to promote transparency and the use of best practices to avoid SDG washing, and recommend that, when used, taxonomies take into account national and regional contexts as well as international guidelines as appropriate. We take note with appreciation of the OECD Stocktake Report on Scaling-up Green, Social, and Sustainability Bond Issuances in Developing Countries. We encourage relevant international organisations, stakeholders and financial market players to support our efforts to promote sustainability-linked financial instruments in developing countries.

7. We continue working towards a G20 common vision and voluntary reporting principles for SDG alignment of the use of available fiscal space, to be applied on a voluntary and case-by-case basis, including by strengthening cooperation with G20 Finance Track. We look forward to working with partner countries and international organisations, including to explore the potential of this vision and to direct financing towards the achievement of SDGs, while avoiding any new 'SDG compliance' conditionality. This common vision will be developed in coordination with the G20 Finance Ministers' track, and aims to be applied on a voluntary basis and taking into account all available resources. The vision may include, inter alia, the importance of: COVID-19 recovery packages to be linked to the longer-term 2030 Agenda and used not only for emergency measures; and all public expenditure making substantial contribution to achieve the SDGs and doing no harm to the others. The possible voluntary reporting of such SDG allocations in interested partner countries, ideally against the SDG target level, should be in connection to the national sustainable development strategy and possibly



INFF as its operational instrument, led by national governments, and involve all relevant stakeholders as appropriate, as well as accompanied by policy dialogue and by capacity development for the relevant local actors.

8. National and international financing should be tailored to national priorities and advance sustainable development, noting the importance of transparency and mutual accountability in accordance with AAAA, consistently with the integrated and indivisible nature of the 2030 Agenda and SDGs. During the Italian G20 Presidency we are focusing our attention on the importance of gender equality, youth empowerment via quality education and decent jobs, and social protection systems as key crosscutting and catalytic areas to eradicate poverty, reduce vulnerabilities and inequalities. We welcome the increased attention paid at national, regional and global levels to strengthening and broadening the financing mechanisms for comprehensive, resilient and sustainable social protection systems, and related capacity building. We highlight the importance of fostering the complementarity of external support and domestic resources in the financing of sustainable social protection systems. INFFs can play a key role in the alignment of all sources of finance, including with a view to foster policy coherence and the efficiency of social spending. We take note with appreciation of the scoping note on financing social protection systems by ILO/OECD/WBG and look forward to working with G20 employment, education and finance tracks to identify possible G20 actions to support the mobilisation of domestic and international financing in these areas.

#### ***Territorial Development and SDGs Localisation***

9. Local authorities are crucial actors to mitigate the complex and multifaceted impacts of the pandemic and build forward better. Building on the achievements of past G20 Presidencies<sup>1</sup>, we are committed to work with all levels of government, as appropriate to country contexts, to support local authorities to lead the efforts towards an inclusive, resilient and sustainable recovery and address the causes and consequences of climate change. We underscore the relevance of adopting territorial approaches for the design and implementation of multi-level governance systems, dialogues and policies. Such approaches should take into account the interconnection between human and animal health and the environment, in line with the One Health approach and subject to national contexts and circumstances.

10. We recognize that intermediary cities offer a significant, but often unexplored and underutilised, potential for achieving the SDGs at the local level and provide an enabling environment for the empowerment of women, youth, and people living in vulnerable situations, including those in remote, rural areas and informal settlements. Intermediary cities can play a determinant role in articulating a rural-urban continuum, addressing problems, finding solutions, and implementing actions, in concert with national governments, to advance a development model that is more inclusive, resilient and sustainable, and leaves no one and no place behind. They deserve greater attention. We underscore that enhancing rural-urban linkages and connectivity, including through the G20 Principles for Quality Infrastructure Investment and the G20 Guidelines on Quality

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1 G20 Guidelines on Quality Infrastructure for Regional Connectivity (2020), G20 Smart Mobility Practices (2020), G20 Principles on Quality Infrastructure Investment (2019), G20 High Level Principles on Sustainable Habitat through Regional Planning (2018), G20 Initiative on Rural Youth Employment (2017) and G20 Initiative on Supporting Industrialization in Africa and LDCs (2016).



Infrastructure for Regional Connectivity, contributes to the localisation of the SDGs, fostering in particular local employment, responsible consumption and production, local environmental protection, food security and sustainable supply chains, and should be adequately prioritized in development strategies.

11. We intend to foster innovation and knowledge co-creation with all stakeholders, especially local actors, to advance the localisation of the SDGs. We aim to promote multi-level policy dialogues and partnerships and mobilise support and capacity building to scale-up actions that address the knowledge, policy, financing, and capacity gaps, including in managerial capital, limiting the potential of intermediary cities. Addressing the gaps that affect intermediary cities and their surrounding territories requires greater and coordinated efforts. Therefore, we will continue working towards establishing a G20 Platform on SDG Localisation and Intermediary Cities, an open and inclusive space for policy dialogue to support local, national and international actions to address these gaps and optimise the development potential of intermediary cities and supporting efforts for SDGs localisation. This collaborative G20 Platform will build upon the existing knowledge base and networks to develop and broker analysis and knowledge products on intermediary cities and SDG localisation. A key area of its engagement will be the promotion of city-to-city partnerships for SDG localisation and the preparation of a Compendium of good practices and inspiring examples on such partnerships. We invite the governing bodies of OECD and UN-Habitat to consider providing technical support to the G20 Platform, in line with their respective mandates, budgets and work programmes, and in close coordination with the G20 DWG and relevant international organisations and partners.

### ***G20 engagement and outreach towards the achievement of the SDGs***

12. We reaffirm our commitment to promote and accelerate sustainable development globally, in partnership with all countries, the private sector, civil society, and international and regional organisations. We thank the G20 engagement groups – B20, C20, L20, T20, U20, Y20, W20 – and developing country representatives for their inspiring inputs to the DWG. We emphasise the key role of the DWG in advancing the G20 Action Plan on the 2030 Agenda, in coordination with other G20 work streams, and reiterate the DWG's role as a coordinating body and policy resource for sustainable development across the G20. We welcome in particular the closer collaboration and alignment between the DWG and the Finance Track facilitated by the Italian Presidency and look forward to continuous engagement towards a possible common agenda for advancing G20 efforts on the 2030 Agenda for Sustainable Development. Moving forward, we acknowledge the importance of building on past G20 achievements and existing initiatives to ensure continuity and effectiveness of G20 actions to foster the recovery in developing countries and achieve the SDGs that have been severely set back due to the COVID-19 pandemic.