



BLOG POST November 21st 2024

Rio Summit: what can still be expected from the G20 for sustainable development?

Authors

Céline Kauffmann

Chief Programmes Officer

Damien Barchiche

Director, Sustainable Development Governance programme

 Reading time: 6 min



The G20 ended a few days ago in a tense geopolitical context, with the recent results of the American elections and the persistence of international conflicts, while COP29 was taking place in Baku and moving painfully towards a lukewarm conclusion, at best.^{[1](#)} The efforts of the Brazilian Presidency have nevertheless enabled progress to be made, particularly on the reform of international financial institutions. It is through this kind of strong leadership, probably focusing on concrete and technical aspects to avoid overt opposition from the future Trump administration, and through in-depth collaboration that the G20 will be able to make a real contribution to building a fair world and a sustainable planet.

Persistent disagreements, dashed expectations

Brazil had focused its G20 presidency on three key priorities: (i) social inclusion and the fight against hunger and poverty; (ii) sustainable development, energy transitions and climate action; and (iii) reform of global governance institutions. Indeed, the G20 was expected to play a pivotal role in advancing a just transition on a global scale, with the successive G20 presidencies of India, Brazil and South Africa providing a renewed focus on reducing inequalities and addressing the needs of the most vulnerable, both within and beyond the G20 nations.

In this area, Brazil can boast the launch of the [Global Alliance Against Hunger and Poverty](#), an innovative partnership of governments, organizations, development banks, philanthropies, as well as the European Union and the African Union.

The [G20's final communiqué](#) may nevertheless leave a bitter taste in the mouth when it comes to sustainable development issues. Despite Brazil's efforts, several G20 members, in particular Saudi Arabia, remained deadlocked and divergent on these issues throughout the year. While the first part of the final declaration contains a number of essentially declaratory references to the importance of the sustainable development agenda and the Sustainable Development Goals, the text contains few concrete advances on the subject. The section on sustainable development, energy transition and climate action reaffirms the commitment to the Paris Climate Agreement and the results of COP28, but fails to reiterate the language on the transition away from fossil fuels alongside the tripling of renewable energies and the doubling of energy efficiency.

This is all the more disappointing given that the G20 countries are by far the largest emitters, and that an ambitious commitment on their part could boost ambition in favour of the climate, both directly and indirectly via the knock-on effect on other countries ([IDDRI, 2024](#)). This has not been counterbalanced by the collateral statements expected from the G20 to unlock discussions on climate finance at COP29 in Baku ([IDDRI, 2024](#)) –although it is worth mentioning the unilateral announcement by the United States in favour of a \$4-billion replenishing of the resources of the International Development Association (IDA), which still needs to be confirmed by Congress.

Themes with potential for progress and influence

Throughout the year of the Brazilian presidency, several areas have given rise to discussions on potentially ambitious solutions for sustainable development: international taxation, reform of the multilateral development banks with a view to better mobilisation of multilateral resources, and strengthening the capacity of countries to design and implement their own transition plans ([IDDRI, 2024](#)).

International taxation

The momentum around international taxation, a traditional G20 theme but reinforced by Brazil's initiative in favour of a minimum tax on the wealth of the ultra-rich, opened up a viable avenue for mobilizing new resources for fair energy transitions and climate action. Combined with the reorientation of fossil fuel subsidies, this approach is likely to support vulnerable nations on the road to COP30 in Brazil.

In this respect, the G20 communiqué endorses the [Ministerial Declaration on Tax Cooperation](#) adopted by Finance Ministers in July 2024, while recognizing the sovereignty of States in tax matters. This declaration reiterates the importance of strengthening tax systems as a cornerstone of domestic public resource mobilization; this is a key

theme for the Fourth International Conference on Financing for Development (FFD4) ([IDDRI, 2024](#)), in a context where international aid is constrained and must become more strategic, and its leverage effect on private financing can only materialize under conditions of strong public finances in the countries concerned. In this context, the declaration also focuses on the taxation of the ultra-rich, an area of great importance to the Brazilians and where a coordinated approach could help prevent tax evasion. However, given the scale of the financing needs for sustainable development, the G20 has failed to move forward in a direction that would make international taxation a tool for international redistribution in support of the SDGs and climate finance, even though the juxtaposition of themes in paragraph 9 of the Finance Ministers' Declaration shows the omnipresence of the issue.

Multilateral development banks

As major shareholders in the multilateral development banks, the G20 countries have a unique ability to reform these institutions so that they better support affordable, transparent and equitable access to climate finance for low-income countries and, more broadly, to make a significant contribution to the reform of the international financial architecture. The G20 has played a key role in recent years, particularly in the area of [capital adequacy framework reform](#).

It is probably in this area that we can expect the most significant advances in sustainable development issues. The G20 has managed to make incremental and cumulative progress by publishing a roadmap for the multilateral development banks, comprising [13 short- and medium-term recommendations and 44 measures](#), including the introduction of an innovative annual mechanism for holding these banks accountable to the G20. A report highlighting the need to consolidate climate funds was also published. This roadmap constitutes the first vision of the multilateral development banks' reform programme approved by the G20. Unlike previous recommendations from expert groups or external reports, it is the result of a negotiated agreement. Moreover, unlike a simple communiqué, it takes the form of a concerted action plan. This could be a way forward for the G20 in the years to come, overcoming the growing opposition between the BRICS and the G7 members, in particular by focusing on financial issues and more technical approaches. Through this roadmap, by working between experts on specific subjects, the G20 seems to be avoiding more political debates, such as the governance of international institutions or debt, as well as global issues where the logic of blocs is much more polarized today than it was two decades ago.

The G20's leadership in developing comprehensive and holistic transition plans remains fundamental. These country-led plans must address decarbonization, climate adaptation and biodiversity preservation while ensuring social safeguards, such as professional retraining. Such a balanced approach can make the energy transition inclusive, offer a model to other countries and provide them with the support they need to develop their own transition plans.

Towards COP30 and beyond: Brazil and the G20 still expected to play their part

In many areas, Brazil's leading role in the G20 does not end with this presidency. On the contrary, in the current complex international context, and given the dynamics between countries, Brazil's continued engagement is crucial, not least to support the forthcoming South African presidency and ensure that the G20's achievements this year have a lasting impact. Brazil will also have a key role through its presidency of the BRICS and COP30 on climate to strengthen the links between international arenas and blocs of countries whose relations are straining.

The road to COP30 and beyond will require in-depth international cooperation. It will also be necessary to align the G20's financial reforms with the climate priorities defined by the United Nations Climate Convention. On climate and environmental issues, the G20 has, in recent years, been reluctant to play a leading role; too often, it has simply

adopted the language of the United Nations instead of defining a bold vision. Yet these issues require robust international cooperation.

1 As proof of the tensions, doubts persisted right up to the end about Argentina's participation in the G20 communiqué (after the COP29 delegation was recalled by their capital).