IDDRI

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Who's still playing by the rules?

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In this crucial year for financing development in developing countries and for climate action, those who are still playing by the rules need to be counted. We can reasonably hope there are more than just a few of them. And they must relearn to rely on each other, and to form alliances strong enough to withstand the blows that will come from everywhere. At a time when the channels of communication, both in our public spaces and in diplomatic relations, are going to be saturated with brutal declarations aimed at provoking chaos, dialogue and diplomacy are going to be all the more essential to identify allies, real convergences and divergences, and to counter purely transactional short-term approaches with agreements reached on the basis of well-understood long-term interests. Continuing to play by the rules may seem naïve, both within our own societies and on an international scale, but it is essential because the rule of law is the foundation of the preservation of common goods, such as our environment or our way of living together.

Undermining the rules and widespread mistrust

It seems paradoxical to recommend playing by the rules when so many players, both governmental and non-governmental, and even on the side of the traditional defenders of a rules-based world order such as the United States, are ostensibly breaking them with the very visible intention of undermining them. European countries, for example, are now experiencing foreign interference in their own democratic processes. Mistrust of such interference is now widespread: it has long been blamed on the Western powers on historically proven grounds, confirmed in the current period on the part of Russia, and likely on the part of other major powers such as China or other emerging powers. The trampling of the sovereignty of other states seems to be intensifying and is even presenting itself as a model of audacity. It reinforces ongoing conflicts in which international law is openly flouted. It also resonates with challenges to the rule of law within democracies, presented as an assertion of power, when in fact they often compromise the ability to reach agreement.

Even within the polished context of multilateral institutions, which are resisting these attacks but run the risk of being increasingly delegitimized, explicit confrontations are multiplying, where previously the debate was conducted in more diplomatic terms. The fundamental asymmetry of the world economy, which is likely to be reinforced and leave a huge proportion of the world's countries and population on the sidelines, is the underlying structure of the negotiations on the financing of sustainable development: it explains the exasperation of the countries of the South at the failure to resolve the key issues of investment in their development, of which the debt issue, already a very difficult one to negotiate, is only a symptom and not the root cause. In addition, these countries keep pointing out the double standards and selective indignation of Western countries, as this enables them to maintain a posture in which they unreservedly denounce the hypocrisy of Western countries. On another front, the transition away from fossil fuels brings to light the confrontation that has been simmering since the Rio Summit in 1992 between countries seeking to reduce their dependence on fossil fuels and the cartel of producers.

It is difficult to know, for each individual player, who to trust and who to ally with, and yet and as a result, it is essential to provide spaces for diplomatic dialogue, to prevent the sole focus on differences and zero-sum games where what one gains, the other loses entirely. In such a situation, dialogue is both an ethical imperative and, from a strategic point of view, 'the first line of defence', as the French Foreign Minister points out. This is at the heart of IDDRI's mission, but what can we hope to gain for the common good in this crucial year, which promises to be so difficult?

The G20 countries at the heart of the problem and of the solutions

2025 is crucial for two reasons.

Financing issues

Financial issues represent a major risk for many countries, and a fundamental bone of contention on which international cooperation could stumble again and again. The Seville Conference on Financing for Development in June 2025 will be a key moment in the attempt to rebuild a global consensus on this issue, and should also provide an opportunity to reaffirm political support for the Sustainable Development Goals, negotiated 10 years ago, which are still a key reference point and political project for many countries in the South. South Africa's presidency of the G20 brings to a close an unprecedented sequence of leadership by major emerging countries, before an unpredictable American presidency in 2026. South Africa therefore has a major responsibility to finalize key advances on debt and the additional costs of access to capital in the poorest countries, and to hold the multilateral development banks and their shareholders to account for the advances decided at the Brazilian G20, in order to multiply their action for development, climate and biodiversity.

South Africa has also pledged to engage in a much-needed conversation on the new regulation of trade and investment, now that we have entered a period where the quest for security of supply and the race to decarbonize industrial policies, both laudable in themselves, could reinforce trade wars and destroy the prospects of sustainable development for the weakest countries. The report Governing Global Industrial and Financial Policies by Mariana

Mazzucato and Vera Songwe for the Brazilian G20, published during the annual meetings of the World Bank and the IMF in October 2024, made the striking and highly relevant proposal to create a new body for global coordination of industrial policies. In the end, it was the silence surrounding this proposal that was the most resounding.

Environmental negotiations

In addition to the financing issues, which are the central blocking factors as shown in the sequence of environmental conferences at the end of 2024, there are of course the environmental negotiations themselves, which will culminate in 2025 with the third United Nations Conference on the Oceans (UNOC3) in Nice in June, and the COP30 climate conference in Belém in November. The latter represents a fundamental step ten years after the Paris Agreement. COP30’s Brazilian presidency will have to help the international community make an honest and constructive assessment of the new series of Nationally Determined Contributions (NDCs) that countries must submit before February, and where the main signals are expected from the major economies and biggest emitters of greenhouse gases, i.e. the G20 countries. The momentum of positive emulation seen in 2019 following the announcement of the European Green Deal, and despite the withdrawal of the United States from the Paris Agreement during Donald Trump's first term in office, is unlikely to be repeated: Brazil will have the difficult task of leading the way in reigniting such momentum, and restoring political meaning to more active cooperation between countries to accelerate their own transition into the next decade of the Paris Agreement, at a time when they are increasingly focused solely on their sovereign interests.

Unlocking emblematic measures

Very strong political signals are therefore needed, and two symbolic acts would be welcome to restore confidence in cooperation mechanisms: an agreement on new international public resources through the introduction of a tax like the one on ultra-rich individuals proposed by Brazil during its presidency of the G20, and supported by a growing number of countries from both North and South; and an agreement to reform multilateral governance (United Nations Security Council, World Bank, IMF) to give more voice to the countries of the South, particularly Africa, a proposal France proposes to support during its presidency of the G7 in 2026. Such strong symbolic signals are urgently needed, but the geopolitical context does not seem conducive to building coalitions of champions capable of forcing the hand of reluctant stakeholders.

Supporting countries in leadership positions and forging new alliances

The South African presidency of the G20 and the Brazilian presidency of COP30 therefore have a decisive role to play, and it is vital to support their efforts at dialogue and leadership, in the face of the obstructive role explicitly played by Saudi Arabia, Russia and, potentially, the United States. This year, Brazil is also chairing the BRICS, which has just been joined by Indonesia, which is also a candidate to join the OECD. These three countries, each in their own particular position, therefore play key roles as intermediaries between groups of countries. On the other hand, the G7 is increasingly weakened, as much by the unpredictable American presidency as by the electoral period of Canada, which holds the presidency this year.

A purely transactional approach in the short term, driven by the United States, could dominate, made up of threats, retaliation and give-and-take compensations, but would come with considerable risks in times of trade war. And yet Europe has a card to play between the United States and China which seek to decouple one from the other, as its market is being particularly coveted on both sides to sell the products of economies boosted by their industrial policies: if it manages to present a united front and not lose these two partners by seeking not to exclude either of them, the EU could turn this market into an asset and impose its vision of norms and standards, a key reason for not disarming its normative capacity on either the environmental or social fronts. The Polish and Danish presidencies of the Union in 2025, despite the weakness of Germany and France, are well positioned to argue in favour of such arguments.

Europe and China have a common interest in maintaining long-term carbon neutrality and the deployment of decarbonized energies and technologies as a modernization horizon for the global economy, given the scarcity of their resources and the investments they already made. If they assert their convergent views, they will be able to form a core of leadership both on the issue of phasing out fossil fuels and on the way in which they intend to involve the other regions of the world in this transformation of the major production and supply chains. This alliance of well-understood individual interests will be essential, even if it must not hide the harshness of the commercial issues that pit them against each other. And it should not be seen as a mere alliance of circumstance, but as support for cooperation that plays by the rules, despite China's lack of support on certain critical issues of international law.

Europeans will also have to cultivate their strategic partnership with the United States, involving the diversity of public and private players who share the same set of common values, and manage to draw from these exchanges, against the winds and tides of the federal level, signals of cooperation that will be important for the rest of the world. The OECD is also an essential forum for this.
In fact, it is with other key countries in Africa and Latin America that Europeans will have to give clear signals that they intend to play by the rules, and that multilateral cooperation is not an empty word for them, but a common good and a long-term investment. This signal will also be decisive in national political arenas, where public opinion might be tempted to believe that only the law of the jungle matters in the face of rogue behaviour. Playing by the rules in the political arena is not naïveté but a choice that is both moral and strategic. Defending the rule of law is crucial as an indispensable condition for transition and prosperity, but also to defend the most vulnerable, and as a value in itself.

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