

d·i·e

Deutsches Institut für  
Entwicklungspolitik



German Development  
Institute

# What can the G20 contribute to international development cooperation?

By Thomas Fues  
& Maïke Saltzmann,  
*German Development Institute /  
Deutsches Institut für Entwicklungspolitik (DIE)*

## The Current Column

*of 7 December 2015*

# What can the G20 contribute to international development cooperation?

Bonn, 7 December 2015. On 1 December, China has taken over the presidency of the group of the twenty leading industrial and emerging countries (G20). In spite of its impressive economic success, the country continues to regard itself as a developing nation and its government intends to place particular emphasis on the interests of all developing countries. Following up on China's leadership, Germany can use its chair of the G20 in 2017 to promote implementation of the 2030 Agenda for Sustainable Development.

## Diffuse development profile

The involvement of the G20 in international development cooperation suffers from lack of clarity regarding responsibilities and from insufficient coherence. Since 2010, the G20 Development Working Group has been active in support of poorer countries, for example with regard to food security, financial integration and infrastructure. Parallel to this, there are numerous G20 bodies focused on policy issues such as trade, agriculture and employment which directly affect developing countries. The outcome of such efforts is not systematically aligned to the objectives of the Development Working Group. The resultant fragmentation of G20 development policies is further enhanced by the separate competencies of the governments involved. In the Development Working Group, development policy experts set the tone. In Germany, for example, the Federal Ministry for Economic Cooperation and Development (BMZ) takes the lead. For other G20 committees, the respective departments such as finance, agriculture and employment are responsible.

## Development Working Group on the sidelines?

The limited reach of the G20 Development Working Group is manifested in the key area for economic progress, namely infrastructure financing. Central actor here is the G20 Investment and Infrastructure Working Group, which is guided by the finance ministers of the member countries, whilst the G20 Development Working Group only plays a minor role. The increasing differentiation and duplication of work streams in the G20 are proving to be structural obstacles in the way of greater influence for the Development Working Group. A similar dynamic can be witnessed in the national context. The increasing involvement of line ministries such as the environment, education, economics and finance at an international level reduces the scope of action for specialised development actors.

Further weaknesses of the G20 Development Working Group are its overly ambitious work schedule and the lack of systematic involvement of third parties, such as the poorer countries, civil society and business. It is regrettable that the G20 Development Working Group

has not yet addressed the conceptual frameworks and operational activities of the member countries in development cooperation. The exchange of experiences between North-South and South-South cooperation would be particularly useful and productive for synergistic approaches in the future.

In spite of these limitations, the G20 Development Working Group has been able to have an impact by drawing public attention to significant themes, such as vocational qualifications, remittances from migrants and market access for export products. A further positive aspect is that the Development Working Group provides an accountability report at three-yearly intervals. In addition, the value of strengthening mutual trust and joint learning amongst the state actors involved in development cooperation is not to be underestimated.

## 2030 Agenda in focus

The central task of the G20 Development Working Group is now to position itself for the implementation of the United Nations 2030 Agenda for Sustainable Development. The G20 members, like all other states, are called upon to orientate their policies on three levels towards the new framework of global transformation. On the one hand, there is the implementation of the Agenda domestically, as well as involvement in international regimes and the provision of global public goods.

It is the third level of action that is most relevant for the G20 Development Working Group: support of developing countries in their implementation of the 2030 Agenda via funding, knowledge and technology transfer. One necessary step for enhancing the effectiveness of external assistance is to achieve an understanding within the G20 Development Working Group regarding how North-South and South-South cooperation can complement one another, leading to mutual reinforcement. Another critical challenge for the Development Working Group is to work towards policy coherence for development across all G20 work streams. For example, the G20 Development Working Group should insist that capital increases of multilateral banks for infrastructure projects, as proposed by the Chinese presidency, are linked to clearly defined development objectives.

As a member of the troika that links the governments of the current presidency with the preceding and future G20 presidency, Germany already bears joint responsibility and should join with China and Turkey in aligning the work schedule of the G20 Development Working Group consistently towards the 2030 Agenda.