

Messages from T20 to G20: Multilateral Cooperation Key to Global Recovery



November, 2022

Messages from T20 to G20: Multilateral Cooperation Key to Global Recovery

November, 2022

The 17th G20 Summit in Indonesia is getting closer to the peak. The summit, which will be held in Bali on 15-16 November 2022, is the climax of the intensive process and efforts of the entire G20 workflow (Ministerial Level Meetings, Working Groups, and Engagement Groups) during the one year of the Presidency of Indonesia.

One of the G20 event series is The Think20 or T20. This is one of the Engagement Groups where think tanks and research institutions meet. The T20 Indonesia Summit 2022 was held in Nusa Dua Bali on 5th to 6th September 2022.

There were four plenary sessions and 20 parallel sessions. The three main themes included global health architecture, digital transformation, and energy transition. These three themes were in line along the core discussions of G20 Indonesia.

Lead Co-Chair of T20 Indonesia, Bambang Brodjonegoro, said that the role of T20 was very prominent in mapping the problems that need to be solved by G20 leaders.

“This forum was also an idea bank that produces research-based policy recommendations as solutions to current problems for the G20,” said Bambang in his opening speech, Monday (5/9/22).

T20 has the privilege of being able to collaborate without being affected by political tensions since T20 does not represent the country. Researchers from various countries in fact join for the common good.

In fact, the T20 is considered to have a strategic role to encourage cooperation in the midst of strained relations between countries. Indonesia as the host sees this opportunity and maximizes its role in representing developing countries that are members of the G20.

“The narrative around global issues is still dominated by western countries which tend to be more congruent with the policies and views of developed countries,” said Bambang.

Therefore, the Indonesia’s Presidency is expected to increase the voices of developing countries in the G20 forum. In addition, Indonesia’s leadership in the G20 will be the pioneer of a series of G20 conferences led by other developing countries such as India, Brazil, and South Africa.

T20 Indonesia produced several recommendations derived from 764 policy summary abstracts and 130 policy summaries involving more than 200 researchers around the world. The policy recommendations were produced by nine task forces.

There are five policy recommendations which are summarized in the “T20 Communique”. First, to promote global recovery and resilience. T20 Indonesia recommends economy and health to be two important aspects of recovery. This includes global supply chains to food security.

Second, to accelerate progress towards Net Zero Emissions (NZE). T20 Indonesia emphasizes the importance of preventing climate change as an agenda in the G20 discussion. These recommendations highlight equitable and sustainable climate and development transitions to be the key to recovery.

Third, to regulate the transformation towards a digital society. T20 Indonesia reminds world leaders that there are a number of community groups who have not been able to experience the benefits of digital transformation. Therefore, there is a need to harmonize the principles of global digital transformation.

Fourth, make the economy more inclusive and community-focused. T20 Indonesia recommends reforming an inclusive and sustainable development ecosystem so that the world can survive amid uncertainty.

Lastly, reviving global governance. The strategy is to prioritize multilateral cooperation in helping to realize green development, especially in developing countries.


D katadata

T20 Contribution to G20

T20 contributes to produce various policy recommendations based on studies of various issues. Starting from social, health, economic, political, and environmental conditions.

T20 FACTS



G20 official
engagement group



Established in
February 2012



Consists of **think tanks & research centers** around the world



Offers research-based policy recommendations



Generated **519 policy briefs** for the G20

CONTRIBUTIONS

- ✘ Provide analytical inputs in the G20 decision process
- ✘ Provide independent recommendations based on scientific research
- ✘ Promote international cooperation and network among think tanks and researchers
- ✘ Initiate policy discussions on issues that is underaddressed in the G20 forum

STRATEGIC ISSUES

Considering the impact of the pandemic on the livelihoods of global communities

Realizing a global agreement on climate change

Addressing inequality, the digital divide, climate change and biodiversity loss

Addressing the financing gap

Supporting multi-lateralism and global governance

SOURCE: T20 PROFILE BOOK



The panelists were talking about inclusivity issue in the discussion session “Rethinking Inequality, Human Capital, and Well Being Post-Covid-19 Pandemic”, Tuesday (6/9/22).

Inclusiveness, the Key to Resilience Post-Covid-19 Pandemic

The Covid-19 pandemic, which has been going on for almost three years, has exacerbated various global challenges. Poverty, inequality, to the low capacity of human resources are a series of problems that are getting worse.

In the discussion session of the T20 Summit 2022 entitled “Rethinking Inequality, Human Capital, and Well Being Post-Covid-19 Pandemic”, Tuesday (6/9/22), the T20 forum considered the need to redefine the perspective of various existing problems.

<https://databoks.katadata.co.id/datapublish/2020/05/26/ini-beragam-dampak-covid-19-dalam-skala-global>

Dr. Asep Suryahadi, SMERU Institute Senior Research Fellow, in the discussion session suggested that global policies be directed at reducing inequality, increasing human resource capacity, and improving welfare by making the economy more inclusive and community centered.

Strategies that can be carried out include building a comprehensive, inclusive, and innovative social

protection system. “People are learning to be ready to face other problems in the future,” said Asep.

Dr. Dennis Gorlich, Program Director of Global Solutions Initiative, in the same forum criticized the definition of inequality that focuses merely on income or wealth. Gorlich proposes that there are other elements than income such as solidarity between citizens and environmental sustainability are also taken into account in defining welfare.

“If solidarity is strong, then when people face problems in the future, people will be better prepared to manage the crisis and transform the economy,” said Gorlich.

In the education sector, the CEO of Asakreativitas and Co-chair of Task Force 5 T20, Dr. Vivi Alatas, said that job-oriented skills needed to be included in the education system. “Because in the future, some of the existing jobs will disappear, and new types of jobs such as green jobs will appear. New skills are needed to meet the needs of the job market,” said Alatas.

The acceleration of education and skills had to be implemented immediately. Because school closures during the pandemic have had a major impact on educational outcomes and student development.



Bambang Brodjonegoro, Lead Co-Chair T20 Indonesia, during the opening session of T20 Indonesia Summit.

Dr. Javier Luque, Country Lead of The Global Partnership for Education, said it was estimated that the current generation of school-age children faced a \$17 trillion loss in lifetime income. This will increase the risk of economic development, food security, and climate issues for future generations.

<https://databoks.katadata.co.id/datapublish/2021/04/08/dampak-pandemi-mayoritas-anak-indonesia-putus-sekolah-karena-ekonomi>

Javier recommended a two-stage accelerated education system. In the short term, the priority is the curriculum, especially in increasing the capacity and capability of teachers. Meanwhile, in the medium to long term, the focus is on building a strong education system by increasing the use of information technology.

The Covid-19 pandemic has also harmed vulnerable groups such as children, the elderly, the poor, women, and people with disabilities. Millions of people have lost their jobs and are in debt. This condition then has an impact on increasing poverty.

Head of the Policy Working Group of the National Team for the Acceleration of Poverty Reduction (TNP2K) Dr. Elan Satriawan stated

that the pandemic is a sign that the design of each country's social protection system must be comprehensive, inclusive, and sustainable.

"There are several things that the government needs to do so that this protection system is sustainable," said Elan.

First, countries should develop comprehensive beneficiary databases by involving different sources of databases. Second, social inclusivity can only be achieved through expanding the coverage of vulnerable groups such as the elderly, persons with disabilities, and informal workers who are at risk.

Third, adaptive social protection requires institutional strengthening which includes capacity, partnership, and cross-ministerial coordination. The use of technology such as biometrics also needs to be explored to increase the inclusiveness of social protection programs.

Fourth, expand the state's tax ratio through the transition from commodity-based subsidies to people-targeted subsidies. One of the transition efforts can be done by shifting fuel oil subsidies to subsidies that are directly related to people's welfare.

Fostering Recovery and Resilience

Health and the economy are two vital sectors that have been hit hard by the pandemic occurring in the last two years. This becomes a lesson that recovery and resilience issues need attention from all parties.

STRATEGIES



Improving Macroeconomic Resilience

- ✘ Addressing the debt distress in middle and low income countries
- ✘ Ensuring the purchasing power for the poor and vulnerable
- ✘ Managing the risk of stagflation in developed and developing countries



Strengthening Global & Regional Supply Chains

- ✘ Attention to deep trade agreements
- ✘ Escape from unnecessary trade barriers
- ✘ Key global players should continue to be engaged in the WTO



Investing in Global Health & Early Warning Systems

- ✘ Ensuring equitable vaccine access
- ✘ Sustaining funds to set up a global health system
- ✘ Coordinating & integrating early warning system
- ✘ Investing in health infrastructure



Creating Sustainable and Resilient Agriculture Food System

- ✘ Financing short-term food security
- ✘ Addressing food & nutrition insecurity
- ✘ Enhancing agri-food supply chain
- ✘ Creating environmentally friendly and sustainable agriculture practice

SOURCE: T20 COMMUNIQUE

Making the Economy More Inclusive and People-Centered

Implementing an inclusive and human-focused economic system is important for the states to be able to face the dynamics of the future and manifest equitable prosperity.

STRATEGIES



Improving social protection system



Developing a shock-responsive social protection and ensuring governments' financial commitments



Leveraging digital system for financial inclusion



Improving global financial safety net

Enabling accelerated and inclusive learning

Preparing resilient education systems



Integrating the well-being framework into policy design



Investing in skills to reap demographic transition



Moving beyond GDP as a prosperity measurement



Integrating the well-being framework into policy design

Note: **Gross Domestic Product (GDP)**



SOURCE: T20 COMMUNIQUE



The panelists on the second plenary session titled “Smoothing Green and Just Energy Transition”, Monday (5/9/22).

Accelerating Energy Transition to Reach NZE Target

The states have committed to preventing global warming. It is targeted that the world will reach net zero (NZE) in 2050. NZE itself is a condition where carbon emissions will be fully absorbed by the earth through various human activities and technological assistance, so as not to cause global warming.

NZE commitment surfaced since COP 21 which then resulted in the Paris Agreement. This agreement strengthens climate change prevention efforts through green finance, new technology frameworks, and capacity building development frameworks.

After the Paris Agreement, world countries then put their commitments in the Nationally Determined Contribution (NDC) document and the Long-Term Strategy for Low Carbon and Climate Reduction in 2050 (LTS-CCR 2050).

T20 as a forum for G20 think tanks also recommends various strategies to support the implementation of a green economy. These recommendations include overcoming obstacles in the effort to achieve NZE, ensuring the

transition to sustainable energy runs optimally, and integrating economic development and biodiversity management in a sustainable manner.

At the Parallel Session T20 Summit 2022 entitled “Global Convergence in Climate Action”, Tuesday (6/9/22), Professor and Director of the Center for Global Sustainability at the University of Maryland Nathan Hultman said there are several risks that must be mitigated to achieve the NZE target.

“This is done by supporting stronger policies in the field of public health, improving quality of life and equity, economic growth, reducing conflict, as well as financing and business models,” said Nathan.

Head-New Initiatives at Council on Energy, Environment, and Water Shuva Raha emphasized that climate equity and justice cannot be ignored. “The resources of developed and developing countries are different. There needs to be global cooperation,” said Shuva.

The discussion of climate action is also inseparable from funding. WRI’s Senior Climate and Finance Advisor Preety Bhandari said large amounts of funds were needed to finance the climate transition. “We need at least US\$ 4.5-5 million per year. Therefore, capital mobility is important,” said Preety.

Kuki Soejahmoen, The main co-chair of T20 Task Force 3, explained that the financing of this climate transition could be taken from carbon pricing. However, the problem is that developing countries still need to build a carbon pricing mechanism.

In line with Preety, Vice President for Private Sector Operations and Public Private Partnerships Asian Development Bank Ashok Lavasa in the second plenary session of the 2022 T20 Summit entitled “Smoothing Green and Just Energy Transition”, Monday (5/9/22), said that the climate change crisis threatens world finance.

“If the climate crisis is not addressed immediately, the world will lose 18 percent of its GDP by 2050,” Ashok said.

Of many factors, energy is one of the highest emitters. For thousands of years, the world has relied on fossil energy to sustain development. The supply is non-renewable, the process flow—as shown from the life cycle analysis—also produces high emissions. With these considerations, energy transition is urgently made.

<https://databoks.katadata.co.id/datapublish/2021/02/16/sektor-energi-jadi-penyumbang-terbesar-emisi-gas-rumah-kaca>

Nishant Bhardwaj, Deputy Director/Global Sector Lead for Renewable Energy of Global Green Growth Institute, proposes the development of risk management instruments and the elimination of fossil fuel subsidies to support the development of renewable energy, especially in developing countries.

“70 percent of the energy problems comes from fossils. Fossil fuel subsidies must be removed,” said Bhardwaj.

T20 Indonesia’s Lead Co-Chair Bambang Brodjonegoro, Monday (5/9/22) said early retirement of coal as a power plant could be a strategy to realize the energy transition. “Early retirement of coal will accelerate the process of renewable energy,” said Bambang.

Bambang and all the panelists agree that the clean energy transition is not an easy thing. Especially for developing countries because these efforts require a long process and large costs.

To bridge the gap in financing the energy transition, Frank Jotzo, The Australian National University (ANU) Professor, underlined the need for global cooperation, especially in investment and research and development to accelerate the green energy transition.

“The energy transition costs money. Solar energy, wind, ocean currents, all of which cost money. It is important to ensure that the research and energy transition efforts carried out receive optimal funding,” said Frank.

Bhardwaj even mentioned that the G20 countries need US\$ 100 trillion to reach the NZE by 2050.

Seeing the large amount of funds needed, global cooperation along with domestic policies involving the private sector is important.

<https://databoks.katadata.co.id/datapublish/2022/03/29/investasi-transisi-energi-global-tumbuh-27-pada-2021>

Ashok said there are four important things to carry out the acceleration of the energy transition. First, increase financing for a green and equitable energy transition. This can be done by building a collaborative investment climate to accelerate the transition from coal to clean energy.

Second, encourage greater private sector participation through innovative financing schemes. For example, soft loans of US\$ 665 million and technical assistance from the Green Climate Fund, European Union, UK, and CDP for ASEAN countries.

Third, build capacity and knowledge to support a green and equitable energy transition. Information and understanding about green jobs are disseminated regularly to increase awareness in the community.

And fourth, strengthening international cooperation and national policies to promote climate mitigation and adaptation, such as the implementation of carbon taxes and carbon pricing. “The carbon market can be an important choice,” said Deepali Khana, Vice President of the Asia Regional Office for The Rockefeller Foundation.

Accelerating the Progress towards Net Zero Emissions (NZE)

Climate change drives various parties to implement green economy immediately. This is necessary to support sustainable economic development of the better future.

STRATEGIES



Addressing barriers to scale up the efforts towards NZE

- ✘ Designing the standard for ESG investments
- ✘ Eliminate tax related barriers
- ✘ Building consensus for ESG rating system
- ✘ Recognizing the added value of a multilevel approach to ESG



Ensuring sustainable, affordable & reliable energy transition

- ✘ Mainstreaming debt-swap as solution for green and inclusive recovery
- ✘ Redirecting subsidies towards clean & renewable energy
- ✘ Addressing the climate finance contributions to build credibility of NDBs & NCFs
- ✘ Promoting the industrial decarbonization agenda



Integrating economic development & sustainable biodiversity management

- ✘ Promoting community engagement to preserve biodiversity
- ✘ Providing alternative measurement to include biodiversity aspects
- ✘ Resource mobilization to countries in preserving biodiversity sustainability
- ✘ Mainstreaming & developing green pharmacy

Note:

ESG: Environmental, Social and Governance | NCF: National Climate Finance
NDB: National Development Bank

SOURCE: T20 COMMUNIQUE



Documentation of the committee and Co-Chairs in the closing session of the T20 Indonesia Summit 2022, Tuesday (6/9/22).

Sustainable Recovery Through Improved Governance

Improved governance is the solution that T20 is promoting in the recovery of development. One of them is to encourage prosperity in a digital society.

According to the researchers, digital transformation is very beneficial for the survival of society. However, there are still many obstacles that limit society in the digitalization process.

The panelists at the third plenary session of the T20 Indonesia Summit 2022 entitled “Rethinking Social Well-being in Digital Society” on Tuesday (6/9/22) discussed the gaps that harm society in digital transformation.

<https://databoks.katadata.co.id/datapublish/2020/02/28/pembangunan-teknologi-indonesia-tertinggal-di-negara-g20>

Various social factors such as lack of education to poverty are also the reasons behind the

emergence of inequality. Thus, the panelists believe that mutually agreed regulations can make internet use more inclusive.

Vice President for the Asia United Nations Sustainable Development Solutions Network (SDSN) Wing Thye Woo said there was need for equality of technology infrastructure, internet access and speed, digital capabilities or literacy, and English language skills to support digital transformation.

“The most important thing was that social safety nets must be well designed since digital transformation will require a substantial reallocation of workforce across the enterprises,” said Wing.

Executive Director of Indonesia Services Dialogue Devi Aryani emphasized that digital transformation is very profitable, especially for Micro, Small and Medium Enterprises (MSMEs) and the informal sector. So, in addition to regulations, collaboration between actors also needs to be carried out.



The panelists are discussing during the third plenary session “Rethink Social Well-being in Digital Society”, Tuesday (6/9/22).

“This requires close cooperation between the government, industry, and the education sector in the process,” Dewi said.

Therefore, T20 Indonesia recommends a number of policies to make digitalization more inclusive and safer for the community, including vulnerable groups, women and children. These recommendations are summarized in “Governing Transformation to the Digital Society” at the T20 Communique.

There are three main points in it. First, reducing regulatory heterogeneity at the global level with a strategy to strengthen cyber security to support digital infrastructure, harmonize data governance, create a structural reform framework and monitor the security of digital financial activities.

Second, encourage cross-sector collaboration for the development of smart society to realize the Sustainability Development Goals (SDGs). The strategy is to create a smart city together with the private sector and collaborate in various strategic

sectors such as agriculture, health, and education.

The last one, overcoming the digital gap in the form of digital literacy and infrastructure and supporting the digitization of MSMEs. This can be done through equal distribution of internet access and infrastructure, especially in developing countries, strengthening internet security for children and women, and resolving the gap in skills and digital literacy for MSMEs.

In the midst of global geopolitical tensions due to the Russia-Ukraine conflict, T20 Indonesia also emphasized the importance of cooperation and improving the governance of multilateralism.

In his keynote address to the fourth plenary session of the T20 Indonesia Summit 2022, entitled “From T20 to the World” on Tuesday (6/9/22), the Director of the Center for Sustainable Development at Columbia University Jeffrey Sachs said collaboration and global partnership are one of the pillars of sustainability issues.



Bambang Brodjonegoro, Lead Co-Chair T20 Indonesia, during the first day of T20 Indonesia Summit press conference, Monday (5/9/22).

“Unfortunately, we failed on this pillar. In fact, we have the same challenges in the context of humanity, cross-border issues, and the global economy regardless of deglobalization,” he said.

This is the main concern in the T20 Communique policy recommendation with the theme “Reviving Global Governance”. There are three recommendations in it. First, managing geopolitical risk and maintaining global stability. This can be done by ensuring that cooperation in the multilateral trading system continues despite political tensions.

Second, by supporting the dialogue mechanism between the G20/T20 and other multilateral meetings. Third, maintaining dialogue with all parties and commit to stabilizing the global macroeconomy.

On the same occasion, Lead Co-Chair of T20 Indonesia, Bambang Brodjonegoro, was of the opinion that reviving multilateralism in the economic sector could be the start of cooperation

that had previously stalled.

“Multilateralism becomes more meaningful because the world has actually felt its positive impact when going through the Covid-19 pandemic,” said Bambang.

The second recommendation is to review the objectives of financial institutions, particularly in the interests of global public goods and addressing inequality. There are four strategies in it, namely, first, providing funding and technical assistance to the Multilateral Development Bank for sustainable economic recovery.

Second, initiating debt reduction, especially for middle-and-low-income countries. Third, using mixed funding to ease the burden of economic recovery. And fourth, implementing information exchange for global tax issues.

Director General of Research and Information Systems for Developing Countries (RIS) Sachin Chaturvedi at the same discussion highlighted



Governing Transformation To Digital Society

In the cutting-age era, transforming the equity of digital society is a goal for all G20 members. Various strategies should be encouraged to be implemented.

STRATEGIES

HARMONIZES GLOBAL PRINCIPLES IN DATA AND AI GOVERNANCE

- ✘ Enhancing cyber resilience
- ✘ Leading initiatives on globally standardized in data governance and AI principles
- ✘ Reinforcing digital trade governance
- ✘ Initiating a common framework on CBDC

PROMOTES DIGITALIZATION IN SOCIETY AND GOVERNMENT

- ✘ Initiating smart & digital collaboration projects
- ✘ Driving cross-sector collaboration in digital innovation
- ✘ G20 members to come up with frameworks of Smart Cities

CLOSING THE DIGITAL DIVIDE FOR VULNERABLE GROUPS AND SMES

- ✘ Promoting high quality & affordable mobile broadband network
- ✘ Creating safer online space for women, children & vulnerable groups
- ✘ Addressing digital literacy & skills gap

Note:
 CBDC : Central Bank Digital Currencies
 UKM : Usaha Kecil Menengah / Small & Medium Enterprises
 AI : Artificial Intelligence

SOURCE: T20 COMMUNIQUE





The panelists are discussing the importance of multilateralism during the last plenary session “From T20 to the World”, Tuesday (6/9/22).

four issues faced in reforming financial institutions including reforming the institutional framework, development finance, reviewing the time frame and development parameters, as well as the distribution of global public goods, especially in health sector in the form of vaccines and food security.

“Therefore, global cooperation is urgently needed,” he said.

The third recommendation is to develop more effective international institutions to support sustainable recovery. The strategy is to reform or form a new Bretton Woods institution.

Still on the same occasion, Bambang emphasized that there needs to be a new global

development funding scheme. He said that now the world can no longer use the old framework due to the growing number of issues being faced.

“The current development funding system needs to reorient the goals and schemes, especially for developing countries in order to anticipate potential global problems in the future,” Bambang explained.

According to Bambang, all countries are now facing the energy transition and climate change. However, the burden of developing countries will be more because they need to deal with the economic crisis and poverty. So, this is the right strategy so that all countries can recover from the shock at the same time.

Reviving Global Governance

Cooperation in sustainable development and restoration of global governance is the key to maintaining world peace.

STRATEGIES



MANAGING GEOPOLITICAL RISKS



Key global players to ensure cooperation on the multilateral trading system



Supporting coordination mechanism between G20/T20 and other multilateral convening arenas



Urging concerted efforts on macro-prudential and monetary policies

Providing funding and assistance for the green and inclusive recovery to Multilateral Financial Institutions

More effective implementation of Automatic Exchange of Information

Promoting debt reduction initiatives for highly indebted countries



FINANCING GLOBAL PUBLIC GOODS AND FIGHT INEQUALITY



DEVELOPING A NEW INTERNATIONAL ORDER



Call for a new Bretton Woods

SOURCE: T20 COMMUNIQUE



The audiences during the last plenary session “From T20 to the World”, Tuesday (6/9/22).



The parallel session “*Global Convergence in Climate Action*” panelists are discussing the risk mitigation to reach NZE.

Coordinator & Editor:

Jeany Hartriani

Article &

Databoks Writers:

Fitria Nurhayati,
Hanna Farah Vania

Infographic Writers:

Arofatin Maulina Ulfa,
Fitria Nurhayati,
Hanna Farah Vania,
Sahistya Dhanesworo

Graphic Designers:

Muhamad Yana,
Very Anggar Kusuma,
Aris Luhur Setiawan,
Andrey Rahmat Tamatalo,
Zulfiq Ardi Nugroho,
Wahyu Risyanto

Photo:

T20 Secretariat

Information Technology:

Firman Firdaus,
Prita Dyah Prawitasari,
Mohammad Afandi,
Maulana,
Daffa Ridho Alfarisi



D katadata