

Ensuring sustainable and equitable growth: CARE's Recommendations to the G20 November 2014



The G20 has made ongoing and important commitments to shared and inclusive growth. With the G20's agenda for 2014 firmly focused on economic growth, CARE believes it is important for the G20's development agenda to include a strong focus on assessing the actual and potential impacts on poverty of G20 commitments. The G20 can only achieve its goals of shared and inclusive growth if it considers poverty and inequality within the core work of the G20, and ensures that its commitments are delivered in ways that meet the needs of the poorest and most marginalised, including women and girls. This must include the recognition that economic growth is only consistent with sustainable development if it focuses on areas which contribute to staying within planetary boundaries, most notable the need to limit global warming to 1.5 degrees.

CARE has engaged with civil society partners in the C20 process around this year's G20 meetings and fully endorses the Communique of the C20 Summit in June 2014¹. CARE also recommends that the G20 and its members give high priority to the following areas in implementing their commitments:

- Increase commitments to **gender equality** and gender sensitive economic growth measures, recognising that investing in women brings wider development and economic benefits.
- Promote **financial inclusion** measures that include informal financial services and are truly inclusive of women and others who face barriers in accessing formal financial services.
- Support inclusive and sustainable growth targets within the post-2015 development

framework and support a **single post 2015 sustainable development framework** with poverty eradication at its core.

- Accelerate the **shift away from fossil fuels** and its subsidies to an economic model based on clean, renewable energy sources, and ensure concrete funding commitments to climate finance for developing countries.
- Act immediately and to the fullest extent possible to **prevent the Ebola epidemic** from causing further suffering

GENDER EQUALITY

Gender inequality is a key driver of poverty, and women and girls continue to bear the brunt of poverty and conflict. Despite this, too little progress has been made in tackling gender inequality over the past 15 years. Gender equality matters because it is a fundamental right and because it has been proven that investing in women brings wider development and economic benefits. For example, the UN estimates that removing the limits on women's participation in the workforce across the Asia-Pacific region could boost the economy an estimated US\$89 billion every year.²

Policies are needed that address the specific gender concerns that drive marginalisation in every context, including policies to promote women's rights to property; address gender disparities in wages, employment and unpaid care work; improve access and quality of public services; and promote shared decision-making at household and public levels.

In Los Cabos in 2012, the G20 committed to women's full economic and social participation and expanding economic opportunities for

¹ Available at <http://www.c20.org.au>

² <http://www.unwomen.org/en/news/stories/2012/12/press-statement-by-michelle-bachelet-in-jakarta-indonesia>

women in G20 economies. CARE strongly encourages ongoing action to realising these commitments, including through;

- Increasing commitments to equal participation, including through increasing inclusive, safe and decent work opportunities for marginalised and vulnerable women in poor and remote communities.
- Adopting the C20 recommendation for all G20 policies to take into account their differentiated impact on women and men³.

CLIMATE CHANGE

Climate change is the most fundamental challenge of our time. The risks of inaction are far too great to ignore. The world's poorest people, who have done the least to produce the greenhouse gas emissions that cause climate change, are the most severely affected, making climate change a major injustice. They are not only affected through unpredictable and extreme weather events, but also more gradual changes that can destroy livelihoods and aggravate financial, political social and environmental inequalities.

Climate change and environmental degradation threaten to undermine all other areas of development gain, and failure to act now will lead to irreversible large-scale disruption, exceeding the adaptive capacity of billions of people and leading to severe loss and damage.

The G20 countries, with the developed countries holding a particular historic responsibility, will determine through their actions on climate change the fate of the rest of the planet. They must commit to doing their fair share to keep global warming to 1.5 degrees and help those most vulnerable to manage the consequences in a rights-based manner.

CARE recommends:

- Commitment by G20 finance ministers to develop a Climate Finance Roadmap to be adopted in 2015 including continuously scaled-up pledges to the Green Climate Fund and countries' own public finance commitments, ensuring also civil society access to necessary resources.
- G20 leaders commit to measures which immediately end government specific financial support for fossil fuels and that remove impediments to efficient and effective investment in renewable energy and energy efficiency, recognising the enormous economic potential from job creation and expanded access to secure energy supplies (including for the poor) through the use of renewable energies.
- G20 leaders to commit to submit by March 2015 at the latest their Intended Nationally Determined Contributions under the UNFCCC, in line with their countries' fair and equitable share to keeping global warming to 1.5 degrees.

FINANCIAL INCLUSION

CARE believes that improving financial inclusion could represent an enormous boost to developing countries' economies. CARE's Banking on Change partnership with Barclays and Plan International enables women and men across Africa, Asia and South America living on less than \$2 a day to save on average \$58 per year, which if multiplied by the 2.5 billion unbanked people worldwide, would represent \$145 billion in potential savings annually that could be re-injected into the formal economy⁴.

The G20 Financial Inclusion Action Plan adopted in 2010 includes a commitment to facilitating universal access to financial services⁵. However, to realise this will mean addressing inequities and challenges for the poorest and most marginalised people, predominantly women, in accessing

³ <http://www.c20.org.au/2014/06/c20-summit-communicue/>

⁴ <http://insights.careinternational.org.uk/publications/banking-on-change-breaking-the-barriers-to-financial-inclusion>

⁵ <http://gpi.org/our-work>

services. This will require ensuring the right partnerships are in place to tailor services, increase financial literacy, and link formal and informal financial services. Specific actions should include:

- National financial inclusion strategies that include commitment to and measures around access to informal financial services. Rwanda provides a positive example of recognising savings groups as a key plank in its national financial inclusion strategy. This should provide a model for all governments, particularly those signed up to the Maya Declaration on Financial Inclusion.
- National strategies that encourage exploration of innovative ways of expanding savings groups' access to formal financial institutions and linkages between formal and informal services. One such example is India's introduction of a policy mandating that banks service savings groups.
- Financial regulations and policies should encourage innovation in the banking sector to reduce the burden of registration requirements that are so often a barrier for the poorest, particularly women. Strategies should also ensure that the regulatory environment enables access for the poorest, whilst ensuring that financial inclusion is undertaken in a responsible way.
- Consumer protection needs to remain a high priority, particularly when expanding financial access to the poorest and most vulnerable. Governments should pursue a range of measures to expand financial literacy as a critical form of consumer protection, including financial education in the national school curriculum and as part of social protection programs.

A NEW DEVELOPMENT FRAMEWORK

The G20 Seoul Consensus on Shared Growth of 2010 set out important commitments to 'adding value and complementing existing development commitments'. As such, CARE believes the G20

has an important role to play in helping to frame and support the dialogue on the direction of the post-2015 development framework. This includes consideration of sustainable development and climate change gender equality and accountability mechanisms at international, regional, national and local levels to ensure the G20's role in inclusive and sustainable economic growth.

Rapid economic growth is taking place in many developing countries, with Foreign Direct Investment four times larger than Official Development Assistance, but much of it is not directly benefitting the poorest people and is severely degrading the environment. Furthermore, it is occurring under a development paradigm of high dependency on fossil fuels and ecosystems degradation which is pushing the planetary limits of the environment and a stable climate.

The UN's Intergovernmental Panel on Climate Change (IPCC) concluded that, "poverty eradication will be difficult, if not impossible, if climate change is not tackled." Without sustainably managing our natural environment we will continue to compromise our efforts to tackle poverty. Without tackling poverty, as well as addressing excessive and unsustainable global consumption, we cannot secure development and environmental wellbeing. An integrated approach is needed. CARE recommends the G20 consider the following:

- Consider sustainable development as the underpinning basis of the post-2015 framework, and support a single post-2015 sustainable development framework with poverty eradication at its core, promoting development that is equitable and operates within the Earth's limits.
- Support commitments to gender equality and women's empowerment as a standalone goal in the Post 2015 Development framework, as well as ensuring gender is mainstreamed within all other development goals, for

example through gender-related indicators and targets across all development domains.

- Support a dedicated goal to address climate change and a strong and consistent integration in other goals which makes the post-2015 framework as a whole an instrument to ensure the global fight against climate change is given the profile it needs.
- Ensure any development framework aims for equal access to productive assets and financial services, with particular emphasis on increasing poor women's access to financial services, and increasing women's share of agricultural value chains.
- Build on the United Nations' "Business Call to Action", and consider how to encourage businesses operating in developing countries to adapt 'inclusive and sustainable models', that expand access to goods, services and dignified livelihood opportunities for low-income communities.

IMMEDIATE ACTION ON EBOLA

The G20 will be meeting at the same time as the deadly Ebola virus continues to tear through West Africa. This is the largest Ebola outbreak we've ever seen. Ebola is killing 70% of those infected and cases are doubling every 20 days. With an outbreak of this nature and magnitude, no one nation or organisation could meaningfully work and make impact working on its own.

For this reason, CARE joins others in calling on all G20 members to show real commitment and leadership in the midst of this global crisis and act now. The world has a window of a few weeks to contain this epidemic.

Each G20 member must act immediately and to the fullest extent possible to prevent this epidemic from causing further suffering and devastating more lives across West Africa, and beyond.

- CARE urges each member state to swiftly ensure all the personnel, equipment and funding required to halt the outbreak are

made available, as outlined by the Framework for a Global Response to the Ebola Outbreak.

