18th G20 Summit in New Delhi

For Prelims: **African Union**, Global Biofuels Alliance, Financial Inclusion Document, World Bank, India – Middle East – Europe Economic Corridor , GE F-414 Jet Engine, India-Mercosur preferential trade agreement, **G20**

For Mains: Significance of G20 in India's Foreign Policy, Groupings & Agreements Involving India and/or Affecting India's Interests

Source: IE

Why in News?

The **18th** G20 Summit was held in **New Delhi, India** on September 9th and 10th, 2023. The summit was the **first time India hosted the G20 Leaders' Summit.**

- The theme of the summit was **"Vasudhaiva Kutumbakam",** which means **"The world is one family".**
- G20 Leaders' New Delhi Declaration achieved unanimous consensus, addressing diverse global issues, from Russia-Ukraine tensions to sustainable development, food security, and launching the Global Biofuel Alliance.

What are the Major Outcomes of G20 Summit 2023?

- **Admittance of the African Union (G20 now G21):**
  - The G20 leaders agreed to **admit the** African Union **as a permanent member** of the G20, which is a major step towards increasing the representation of developing countries in the forum.
  - **The Impact of AU's Inclusion in G20:**
    - The AU's membership in the G20 offers an opportunity to reshape global trade, finance, and investment and would provide a greater voice to the Global South within the G20.
    - It allows African interests and perspectives to be heard and recognized within the G20.
- **Global Biofuels Alliance (GBA):**
  - **About:**
    - GBA is an **India-led initiative** that aims to develop an alliance of governments, international organizations, and industry to **promote the adoption of** biofuels.
    - The initiative seeks to position biofuels as a key component of the **energy transition and contribute to job creation and economic growth.**
    - It will help accelerate India's existing biofuels programs such as PM-JIVANYojna, SATAT**, and** GOBARdhan scheme.
      - As per IEA, there will be 3.5-5x biofuels growth potential by 2050 due to **Net Zero targets,** creating a huge opportunity for India.
  - **Formation and Founding Members:**

- The alliance was launched with nine initiating members: **India, the US, Brazil, Argentina, Bangladesh, Italy, Mauritius, South Africa, and the United Arab Emirates.**
  - GBA Members constitute major producers and consumers of biofuels. **USA (52%), Brazil (30%) and India (3%),** contribute about 85% share in production and about 81% in consumption of ethanol.
- 19 countries and 12 international organizations have already agreed to join.
- **G20 Invited Countries supporting GBA:**
  - Bangladesh, Singapore, Mauritius, UAE
- **Non-G20 supporting GBA:**
  - Iceland, Kenya, Guyana, Paraguay, Seychelles, Sri Lanka, Uganda, and Finland
- **International Organizations:**
  - World Bank, Asian Development Bank, World Economic Forum, World LPG Organization, UN-Energy for All, UNIDO, Biofutures Platform, International Civil Aviation Organization, International Energy Agency, International Energy Forum, International Renewable Energy Agency, World Biogas Association.

- **India – Middle East – Europe Economic Corridor (IMEC):**
  - A Memorandum of Understanding (MoU) was signed between the Governments of India, the US, Saudi Arabia, the European Union, the UAE, France, Germany and Italy to establish the IMEC.
  - IMEC is part of a broader initiative called the **Partnership for Global Infrastructure Investment (PGII).**
    - The PGII was initially introduced during the G7 summit **in the UK in June 2021.**
      - PGII aims to **finance infrastructure projects in developing countries** through a combination of public and private investments.
  - IMEC is a significant infrastructure **project connecting India, the Middle East, and Europe.**
  - The project aims to **establish a network of transport corridors, including railways and sea lanes.**
  - IMEC is seen as a response to **China's Belt and Road Initiative (BRI),** providing an alternative infrastructure network.
- **G20 Global Partnership for Financial Inclusion Document:**
  - The G20 Global Partnership for **Financial Inclusion document** prepared by the **World Bank** has lauded the transformative impact of India's Digital Public Infrastructure**(DPI)** over the past decade under the Central Government.
  - The document emphasizes the following initiatives that played a greater role in shaping the DPI landscape:
    - **Rapid Financial Inclusion:**
      - India's DPI approach achieved **47 years' worth of financial inclusion progress in just 6 years.**
      - **Jan Dhan-Aadhar-Mobile (JAM)** Trinity boosted the financial inclusion rate from **25% in 2008 to over 80% within 6 years.**
      - Regulatory frameworks, national policies, and **Aadhaar-based verification complemented DPIs.**
    - Pradhan Mantri Jan Dhan Yojna (PMJDY) **Success:**
      - PMJDY accounts **tripled from 147.2 million (March 2015) to 462 million (June 2022).**
      - **Women own 56% of these accounts, exceeding 260 million.**
      - PMJDY drove savings among low-income women, attracting over 12 million customers by April 2023.
    - **Government to Person (G2P) Payments:**
      - India's digital G2P architecture facilitated **USD 361 billion transfers to beneficiaries from 53 ministries via 312 schemes.**
      - Achieved total savings of **USD 33 billion by March 2022, equivalent to 1.14% of GDP.**
    - Unified Payments Interface (UPI) **Dominance:**
      - May 2023 witnessed over **9.41 billion UPI transactions, valued at Rs**

- - - **14.89 trillion.**
      - UPI transactions in FY 2022–23 neared **50% of India's nominal GDP.**
  - **Private Sector Efficiency:**
      - DPI streamlined private organizations' operations, reducing complexity, costs, and time.
      - Some NBFCs achieved 8% higher SME lending conversion rates, 65% savings in depreciation costs, and 66% cost reduction in fraud detection.
      - **Banks' customer onboarding costs in India dropped from USD 23 to USD 0.1 with DPI use.**
  - **Lower Compliance Costs for KYC:**
      - Reduced compliance costs from USD 0.12 to USD 0.06, making lower-income clients more attractive.
  - **Cross-Border Payments:**
      - UPI-PayNow linkage enables faster and cheaper cross-border payments with Singapore.
  - **Account Aggregator Framework:**
      - Enabled 1.13 billion accounts for data sharing with 13.46 million consents raised.
  - **Data Empowerment and Protection Architecture (DEPA):**
      - Provides individuals control over their data, fostering innovation and competition.

What are the Other Key Highlights of G20 Summit 2023?

- **Tripling the Global Renewable Energy Capacity By 2030:**
    - G20 countries promised to work towards **tripling the global** renewable energy **capacity by 2030.**
        - If met, this single step could avoid **carbon dioxide emissions by seven billion tonnes between now and 2030,** according to an assessment by the **International Energy Agency (IEA).**
        - Aligns with **global efforts to** limit global warming to 1.5 degrees Celsius.
    - Represents a significant shift away from fossil fuels **towards cleaner energy alternatives.**
    - The declaration acknowledges that current climate action is insufficient and highlights the need for trillions of dollars in financial resources to achieve the **objectives of the** Paris Agreement.
    - Expanding renewable energy capacity on this scale could avoid about 7 billion tonnes of CO2 emissions between 2023 and 2030.
- **Commitment to Global Food Security and Nutrition:**
    - The G20 leaders recognize the importance of **addressing rising commodity prices, including food and energy prices,** which contribute to **cost-of-living pressures.**
    - They aim to **eliminate hunger and** malnutrition, acknowledging that global challenges like **poverty,** climate change**, pandemics, and conflicts disproportionately** affect vulnerable populations, particularly women and children.
    - The G20 declaration highlights the human suffering and impacts of the war in **Ukraine on global food and energy security**, supply chains, inflation, and economic stability.
    - G20 leaders called for the full, timely **implementation of the** Black Sea grain initiative.
    - The agriculture working group during the G20 Presidency reached a historic consensus on two aspects: **Deccan G20 High-level principles on Food Security and Nutrition and the Millet initiative called MAHARISHI.**
        - The seven principles under the high-level principles on food security and nutrition include **humanitarian assistance, increasing food production and food security net programs, climate-smart approaches, inclusivity of agriculture food systems, one health approach, digitalization of the agriculture sector, and scaling responsible public and private investment in agriculture.**
        - MAHARISHI (Millets And OtHer Ancient Grains International ReSearcH Initiative) aims at advancing research collaborations and generating awareness about millets and other ancient grains during International Years of Millets 2023 and after.

- The G20 committed to promoting transparent, fair, and rule-based trade in agriculture, food, and fertilizer. They pledged not to impose export restrictions, reduce market distortions, and align with WTO rules.
- The G20 leaders emphasize the importance of strengthening the **Agricultural Market Information System (AMIS) and the Group on Earth Observations Global Agricultural Monitoring (GEOGLAM)** for greater transparency.
  - This includes expanding AMIS to include vegetable oils and enhancing collaboration with early warning systems to avoid food price volatility.

- **Note:**
  - AMIS is an inter-agency platform to **enhance food market transparency and policy response for food security.**
    - It was launched in **2011 by the G20 Ministers of Agriculture following the global food price hikes in 2007/08 and 2010.**
  - GEOGLAM enhances **market transparency and food security by providing timely agricultural information worldwide.**
  - The GEOGLAM policy mandate initially came from the Group of Twenty (G20) Agriculture Ministers during the French G20 Presidency in 2011.

- **Small Arms and Terrorist Safe Havens:**
  - The 2023 New Delhi Declaration builds upon previous G20 declarations, especially the **2015 Turkiye declaration**, which strongly denounced terrorism. Unlike the **2022 G20 Bali Leaders Declaration**, which primarily focused on the financing of terrorism and the strengthening of the **Financial Action Task Force (FATF)**, the New Delhi Declaration **encompasses a wider range of concerns.**
  - The G20 leaders, in the **New Delhi Declaration, clearly condemn terrorism in all its forms and manifestations.**
  - The declaration supports the FATF's efforts to enhance global asset recovery networks and recover criminal proceeds.
- **Healthcare Resilience and Research:**
  - The G20 New Delhi Leaders' Declaration places significant emphasis on healthcare and prioritizes the need to build a **resilient healthcare system.**
  - It commits to strengthening the global health architecture to create more **resilient, equitable, sustainable, and inclusive health systems.** The **World Health Organization (WHO)** is at the core of this effort.
  - The goal is to enhance primary healthcare, the health workforce, and essential health services to levels better than **pre-pandemic within the next two to three years.**
  - In addition to addressing ongoing epidemics like tuberculosis and AIDS, the G20 recognizes the **importance of research on** long Covid.
  - India's G20 presidency also pushed for the integration of evidence-based traditional medicine practices **with modern medicine.**
  - There is an emphasis on adopting a **one-health approach**, which tracks **diseases in animals, plants, and humans within the same mechanism,** with a particular focus on tackling antimicrobial resistance.
- **Finance Track Agreements:**
  - India's G-20 presidency has laid the foundation for a **coordinated and comprehensive policy and regulatory framework for** cryptocurrencies.
  - The emergence of global consensus on **crypto asset regulation was emphasized.**
  - G-20 leaders have recognized the pressing need for **more robust and effective** Multilateral Development Banks (MDBs) to address the high developmental demands globally.
  - The **India Stack model of digital public infrastructure** for financial inclusion is acknowledged as a promising approach.
  - The G-20 leaders' New Delhi Declaration underscores the **monitoring of risks associated with the rapid developments in the crypto-asset ecosystem.**
- **India-Mercosur Preferential Trade Agreement (PTA):**
  - India and Brazil agreed to work together for the expansion of **India-Mercosur PTA** to promote economic ties.

- Mercosur is a trading bloc in **Latin America, comprising Brazil, Argentina, Uruguay and Paraguay.**
    - The India-Mercosur PTA came into effect on **June 1, 2009, aimed to eliminate customs duties on a limited number of goods agreed between India and the Mercosur bloc.**
- **Climate Financing Commitment:**
    - The declaration emphasizes a **substantial increase in climate financing, calling for a "quantum jump" from billions of dollars to trillions of dollars.**
    - It underscores the need for significant financial resources, including USD. 5.8-5.9 trillion in the pre-2030 period for developing countries and USD 4 trillion per year for clean energy technologies by 2030 **to achieve** net-zero emissions by 2050.
- **India's Cultural Showcase:**
    - **Bharat Mandapam** (inspired from **Anubhav Mandapam**).
    - Bronze statue of Lord Nataraja **(**Chola **style).**
    - **Konark Chakra of Odisha's Sun Temple** and Image of **Nalanda University** (used as iconic backdrops).
    - **Thanjavur Paintings** and Dhokra art**.**
    - Brass statue of Lord Buddha sitting under Bodhi tree.
    - Diverse **musical heritage (**Hindustani**, Folk,** Carnatic**,** Devotional).
- **Transition of G20 Presidency:**
    - Prime Minister of India handed over the customary gavel of the **G20 chair to Brazilian President Luiz Inacio Lula da Silva,** who will officially take over the presidency on December 1, 2023.

What are the Latest India-US Collaboration at G20 Summit 2023?

- India and the United States are strengthening their technology partnership, focusing on **resilient** semiconductor supply chains**, and telecom infrastructure.**
- India supports the US **'Rip and Replace' pilot project,** aligning with the removal of Chinese telecom equipment.
- India and the US reaffirmed their commitment to **deepen and diversify the India-US Major Defence Partnership** through expanded cooperation in new and emerging domains such as **space and** artificial intelligence (AI).
- **GE F-414 Jet Engine Agreement:**

    - The US recently completed the notification process for a commercial agreement between **General Electric Aerospace and Hindustan Aeronautics Ltd. (HAL)** to manufacture **GE F-414 jet engines** in India.
    - This agreement marks a significant step in defence cooperation between the U.S. and India, highlighting India's commitment to enhancing its domestic defence manufacturing capabilities. //

G-20 (The Group of Twenty)

About

- In 1999, following the **Asian Financial Crisis** of the **1990s, G20** was established as a Forum for **Finance Ministers and Central Bank Governors**.
- Raised to the **Summit level in 2008** to address the global financial and economic crisis of 2008.

Aims

- Secure global financial stability by involving world's largest advanced and emerging economies.

Structure and Functioning of G20

- The **G20** Presidency rotates annually
- No permanent **Secretariat** or **Headquarters**
- **19 countries** are divided into **5 groups**
- The presidency rotates between each group

Troika

- It is a working association between the **current presidency**, **past presidency** and **next presidency**.
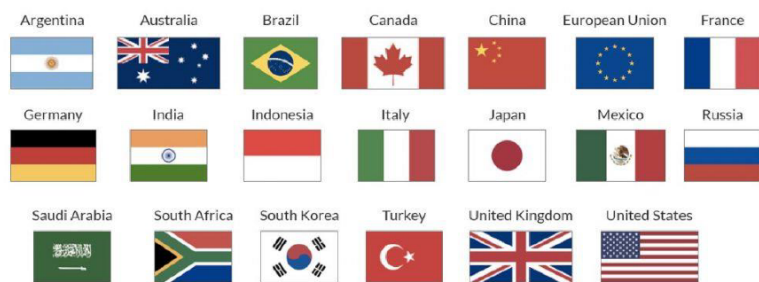
Challenges

- No Enforcement mechanism
- No legal binding
- Polarization of Interests:
  - Russia Ukraine Conflict
  - China's strategic rise
  - NATO's expansion

G20 India 2023

- India assumed the **18th G20 Presidency from December 1, 2022** for a **one-year period**.
- **Theme:**
  - "**Vasudhaiva Kutumbakam**" a Sanskrit word which Stands for "**One Earth · One Family. One Future**".
  - This is taken from the ancient Sanskrit text of the '**Maha Upanishad**'.

G20 COUNTRIES

Argentina	Australia	Brazil	Canada	China	European Union	France
Germany	India	Indonesia	Italy	Japan	Mexico	Russia
Saudi Arabia	South Africa	South Korea	Turkey	United Kingdom	United States

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UPSC Civil Services Examination Previous Year's Questions (PYQs)

Prelims:

Q. In which one of the following groups are all the four countries members of G20? (2020)

(a) Argentina, Mexico, South Africa and Turkey
(b) Australia, Canada, Malaysia and New Zealand
(c) Brazil, Iran, Saudi Arabia and Vietnam
(d) Indonesia, Japan, Singapore and South Korea

Ans: (a)

PDF Refernece URL: https://www.drishtiias.com/printpdf/18th-g20-summit-new-delhi