

Speech by HE Mr. Cevdet Yılmaz
Deputy Prime Minister of Turkey
On G20's Contribution to the Implementation of the
SDGs
25 Eylül 2015, Saat:16.30-18.00

Distinguished participants,

Ladies and gentlemen,

It is a great pleasure to be here today to speak at this side event on the G20 contribution to the Sustainable Development Goals. I would like to begin by expressing my appreciation for this opportunity to address you on the contribution of the G20 to the global development agenda.

As you know, Turkey assumed the G20 Presidency on the 1st of December 2014. We are now less than two months away from G20 Summit, which will take place in Antalya on November 15-16. We have an ambitious agenda and an intense work programme, including several Ministerial meetings over the course of the next month. We have organized close to 100 official G20 meetings this year. We have been making good progress so far. Our primary objective is to strengthen inclusive and robust growth through collective action.

I believe this is very relevant for implementing the Agenda 2030 for Sustainable Development. When G20 Leaders met first time in 2008, they set their main objective as "achieving strong, sustainable and balanced growth". They also noted that

G20 plays key role in achieving this objective as the “premier platform for international economic cooperation”.

Despite seven years having passed since the onset of the global financial crisis, global growth continues to be moderate. It has been around 3-3.5 percent range over the past five years. Global growth is also uneven. In advanced economies, it is on average around 2.5 percent while it differs a lot from country to country. In emerging economies, growth has been decelerating from around 6 percent to 4.5-5 percent. In the meantime, low income developing countries continue to demonstrate a strong growth performance. However, as they integrate more to the global economy, they have become more open to the risks caused by developments in global economy.

What we highlighted as the G20 Presidency is to add “inclusive growth” to the G20 goal of achieving strong, sustainable and balanced growth. We believe that better integration of low income developing countries will be good for them, good for advanced and emerging economies and good for the global economy.

But this process needs better coordination and a more inclusive approach. One of the most important contributions of the G20 to the global development efforts will be through its macroeconomic coordination role that aims to lift growth, employment and bring stability to the markets. That’s why we emphasized not only robust but inclusive growth this year and underscore the importance of collective action to reach this goal.

Inclusiveness is not just a moral responsibility, in our global economy it is a necessity for a stronger and balanced global economic growth. As the chair of this year's G20, we also highlighted two other issues, implementation and investment together with inclusiveness. These constitute the three Is of Turkish Presidency.

On implementation, our aim is to ensure that G20's words can translate into actions. Again, here we are not just saying keeping your promise is the right thing to do. It is also the smart thing to do. Confidence is the best and most effective way of attracting investments and sustaining economic growth. In order to build confidence, the only thing you need to do is to keep your promises, to implement your commitments.

What we say this year is G20 should do the same in order to restore confidence in the global economy. If fully implemented, the G20 growth strategies that we adopted last year, will lift the G20's GDP by 2.1 per cent by 2018. This means more than 2 trillion US Dollars will be added to the global economy, which will create millions of jobs. This additional growth is much needed given that global growth continues to fall short of expectations.

This year we developed a robust framework to hold ourselves accountable for our growth strategies, including detailed implementation schedules in order to effectively monitor the implementation of our commitments.

On investment, our priority is to take action for closing the global infrastructure gap. It is crucial as investment plays a very important role in driving growth and creating better jobs. The OECD estimates that 70 trillion US Dollars need to be invested in global infrastructure over the next fifteen years. In Addis Ababa Action Agenda, it is highlighted that developing countries need around 1.5 trillion Dollars of investment annually to pursue their sustainable development efforts. Therefore, investment is crucial for developed and developing countries alike.

This year, we have prepared country specific investment strategies to improve the investment ecosystem, foster efficient infrastructure investment and support financing opportunities for SMEs. This will help us to see our roadmap about how we can coordinate our efforts in increasing infrastructure investments at the global scale.

Distinguished Participants,

Our third and final I, inclusiveness is probably the most relevant part of our G20 agenda this year for the global development efforts.

Inclusiveness aims to ensure the benefits of growth and prosperity are shared by people within and beyond G20 countries. Within countries, we have examined our domestic policies and business practices to ensure that they promote inclusive growth.

Worsened by the effects of the global financial crisis, inequality has been increasing in many countries. Among OECD countries inequality is at its highest level in 30 years. The share of the wealthiest 1 percent in our economies is rising and the share of wage income is falling behind the rate of economic growth. Real wages have been either flat or have decreased since 2008 in many countries. This has important consequences for the global economy, because wage earners who form an overwhelming majority of our economies have a higher propensity to increase their consumption proportionally when their real wages rise. Therefore, addressing rising inequalities is not only important for social stability but also critical for sustainable economic growth.

Women and youth deserve particular attention since they constitute major vulnerable groups need to have a better share from prosperity and economic growth. Last year, the G20 made a commitment to reduce the gender gap in labour force participation by %25 until 2025. Effective implementation of this target will bring an additional 100 million women into the workforce.

Under the Turkish Presidency, G20 decided to establish Women-20 as a standalone engagement group to promote gender inclusive economic growth and take steps to ensure women's effective participation into the economic life. These steps taken by the G20 will support to achieve gender equality and empower all women and girls which is also part of the Sustainable Development Goals.

As a matter of fact gender equality is more than a goal in itself. It is a precondition for meeting the challenge of reducing poverty and promoting sustainable development.

This year, Turkish Presidency focused also on reducing youth unemployment. It has been on the agenda of the G20 for some time. However, we need a concrete commitment to take strong action in this important issue. G20 Labour Ministers adopted a G20 target on reducing the share of young people who are at most risk of being permanently left behind in the labour market by %15 by 2025. This collective target of the G20 will help us to better coordinate our efforts and policies to reach our shared objective of reducing youth unemployment.

G20's focus on reducing the youth unemployment is also highly relevant for the Agenda 2030. Under the Sustainable Development Goal 4 on inclusive growth, substantially increasing number of youth for employment and decent jobs has been identified as a sub-goal.

Small and Medium Size Enterprises (SMEs) are another important element of our inclusiveness agenda. SMEs are the major source of employment and an important driver of economic growth in many countries. Therefore, SMEs are important to help us reach our goal of ensuring that all segments of the society have access to benefits of growth and prosperity.

Turkish Presidency has decided to establish for the first time a World SME Forum in cooperation with the International

Chamber of Commerce. We aim for the SME Forum to be the global voice of SMEs, a platform representing their interests, supporting them to meet various challenges they face and serve as an advocacy forum for SMEs.

Encouraging the growth of SMEs is a sub-goal under the Sustainable Development Goal 8 on inclusive and sustainable economic growth. Therefore, G20's focus on SMEs is highly related to the Agenda 2030.

Ladies and Gentlemen,

Now, I will turn to the external dimension of our inclusiveness agenda.

Our aim here is to ensure that our decisions and actions will benefit not only G20 countries but also the entire world economy, including low-income developing countries. We have put a special emphasis on reaching out to low income developing countries and developing policy responses to the specific challenges they face. By doing so, we have helped focus the potential G20 contribution to the SDGs on what works and what developing countries need.

In this direction, Turkish G20 Presidency organized the first-ever joint meeting of G20 Finance Ministers and Finance Ministers from low income developing countries. This type of policy dialogue is important not only because G20 has a comprehensive development agenda of its own, but also because decisions taken by G20 have an impact on developing countries as they integrate better to the world economy.

As G20 Finance Ministers and Central Bank Governors, in our last meeting in Ankara, we welcomed the positive outcomes of the Addis Ababa Conference and pledged to support global development agenda through scaling up our technical assistance towards developing economies.

In fact, G20 has its own development agenda coming from 2010 with several concrete and action oriented elements. Five priority areas agreed by G20 members under the development agenda are infrastructure, domestic resources mobilization, financial inclusion and remittances, food security and nutrition and human resources development.

G20 development agenda is linked with several SDGs.

For instance, G20's work on food security is closely connected to SDG 2 on ending hunger, achieving food security and improved nutrition and promoting sustainable agriculture and SDG 12 on ensuring sustainable consumption and production patterns.

This year, we organized G20 Agriculture Ministers meeting in May. The central theme of the meeting is how the G20 can best support progress towards the achievement of sustainable food systems with a particular focus on food losses and waste to enhance global food security.

With world population expected to reach 9.3 billion by 2050 and changing food consumption patterns as a result of income growth and urbanization, food production will need to increase by some 60 per cent. However, the natural resource base is

already depleted and pressures on limited land and water are intensifying. Climate change will add to the difficulties of reconciling the balance between food needs and production possibilities.

Therefore, establishing sustainable food systems and reducing food losses and waste are essential to cope with this challenge. The cost for producing food that is wasted amounts to 1 trillion Dollars each year, and if we reduce food losses and waste to zero it would give us additional food to feed 2 billion people. The carbon footprint of producing that wasted and lost food is estimated at 7% of global greenhouse gas released into the atmosphere each year.

G20 Agriculture Ministers agreed to establish a technical platform to measure and reduce food loss and waste. This platform is also open to non-G20 and particularly low income developing countries.

On Human Resources Development, G20 development agenda this year focused on addressing skills mismatch which is important for many developing countries. It has a strong link with SDG 4 on ensuring inclusive and equitable quality education and promote lifelong learning opportunities for all and SDG 8 on promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

On investment in infrastructure, G20 has worked with Multilateral Development Banks on project prioritization and

highlighted the importance of investment for developed and developing countries alike. Therefore, it is very much linked with the SDG 9 on building resilient infrastructures, promoting inclusive and sustainable industrialization and fostering innovation.

As a matter of fact, G20 is well placed to support the implementation of the SDGs not only because it represents %85 of global economy but also because it is home to around half of the world's poor.

We can build on the existing development agenda to bring together the private sector, civil society and development partners to help deliver on the ambition of the SDGs.

The G20 provides a unique forum for improving and coordinating development policy across traditional and emerging donors. Therefore, this year apart from advancing the ongoing G20 development agenda, we took steps to enhance policy coherence on development across the G20 agenda. This has enabled us to focus on the positive spill-over effects of actions in a broad range of areas related to economic growth, job creation and investment.

Now, the question is how can the G20 further contribute to the SDGs?

Distinguished Participants,

First, G20 work targets key sectors for growth and development, which will be critical to the achievement of the SDGs.

I already mentioned G20 work on food security, infrastructure and employment and how they support relevant SDGs. However, other G20 work streams which are not currently taken up within the G20 development agenda are also highly relevant for low income developing countries.

A striking example is the work to be done this year to develop an Energy Access Action Plan with a particular focus on Sub Saharan Africa. Across the world, around 1.1 billion people do not have access to energy. This problem is most acute in two continents: Asia and Africa.

We decided to focus on Sub-Saharan Africa this year where 650 million people, more than half of the continent's population, do not have access to energy. We think that G20 can add value by helping the important need of coordination among existing initiatives focusing on energy access in Africa. Our focus is on regulatory and policy frameworks, access to financing and technology.

This year, we will organize the first-ever G20 Energy Ministers meeting on 2 October 2015. Energy Ministers are expected to adopt G20 Access to Energy Action Plan with a particular focus on Sub-Saharan Africa. One day prior to the G20 Energy Ministers meeting, we will organize an international conference on Access to Energy in Africa with the participation of G20 and

African Energy Ministers as well as private sector and international organizations. G20 work on energy access this year is highly relevant with the SDG 7 on access to affordable, reliable, sustainable and modern energy for all.

Another important area where G20 can contribute is means of implementation defined in SDG 17. The G20 is well placed to support the means of implementation of the SDGs, including development finance.

Ongoing G20 work on tax and remittances is helping countries maximize their own resources for development. This year, a G20 Call to Action for Strengthening Tax capacity focuses on support for domestic tax collection systems. It directly supports SDG 17 on the means of implementation of the SDGs, as well as the Addis Ababa Action Agenda.

Other actions to support this SDG include work on tax incentives for investment and support for developing countries' inclusion in the G20 international tax reform agenda.

G20 Leaders also attached great importance to the engagement of developing countries with the "Base Erosion and Profit Shifting" (BEPS) Project and Automatic Exchange of Information (AEOI) in order to ensure a more transparent global tax system. The BEPS project will be finalized before the G20 Finance Ministers Meeting in Peru on 8 October and will be submitted to the G20 Leaders for their consideration. Our aim is to help bring developing countries fully into the debate and ensure that new tax rules address their concerns.

SDG 10 on reducing inequality within and among countries has also been a key theme under our inclusiveness agenda. It is also closely related with financing development.

Remittance flows are a significant source of income for many developing countries. According to World Bank figures, they totalled 435 billion USD in 2014 and are projected to increase to 454 billion USD in 2015. This year we will adopt G20 national remittances plans to help the G20 make more progress towards its commitment to reduce the global average cost of remittances to 5%.

Strengthening domestic resource mobilisation and financial inclusion are therefore key priorities for the G20 and we endorse the call to revitalise the global partnership for sustainable development as part of these efforts.

The G20 can also contribute to the SDGs by helping to ensure developing countries are able to take advantage of opportunities in the global economy. The private sector's role in development is very important if we are to succeed in developing more opportunities. Access to trade and technology facilitation are key components of SDG 17.

This year we have focused on how firms in low income developing countries, in-particular SMEs, can participate in Global Value Chains (GVCs). We will also deliver a G20 Leaders' Call on Inclusive Business to promote opportunities for low income people and communities to participate in markets.

One of our key messages is to CEOs and companies. Inclusive business can be good business. It can open access to vast numbers of new customers with a combined spending power of \$5 trillion. It can also stimulate demand and innovation to propel development forward. The G20 will help develop the evidence base for inclusive business through a new policy platform, bringing together the private sector, IOs and G20 members.

Ladies and Gentlemen,

The 2030 Agenda for Sustainable Development and the SDGs present a completely novel approach to global development challenges. This approach is more comprehensive, more ambitious and truly universal. It is also inclusive as it aims to leave no one behind.

The implementation of Agenda 2030 requires a truly global partnership.

We all acknowledge that development is not just about assisting developing countries. Official Development Assistance (ODA) continues to be the most important source to support the development efforts of many countries, particularly the LDCs. UN members should meet their ODA commitments in full and in a timely manner. As a matter of fact, ODA of Turkey was 1 billion dollars in 2010. In 2014, it was 3.5 billion dollars.

However, better integrating all country groups to the world economic system is crucial to bring growth and prosperity to

the developing countries, which will ultimately be the new engine of growth globally.

Our long term objective should be to create an environment where assistance will no longer be needed.

I do not think that G20 should be self-congratulatory in its efforts to support SDGs. On the contrary, as representing %85 of the world economy, we have a responsibility to do more. G20 was born out of the necessity that advanced and emerging economies should work together to meet increasing challenges to the global economy. Now, we face global challenges that have an impact on all countries regardless of their level of development.

Current refugee crisis is not just the problem of one country or one region. It is a global problem and we need to develop a global response. In Turkey, we feel deep in our hearts the suffering that Syrian and Iraqi refugees have to face. We are home to around 2 million Iraqi and Syrian refugees and we have received so far very modest support from international community. We keep open our borders to refugees because it is part of our culture and tradition. We believe that solidarity with our fellow humans when they are in need is at the core of all human values.

However, this and other humanitarian crises cannot be solved without a truly global partnership. We need global responses as they constitute global challenges.

I think the very first sentence of Agenda 2030 summarizes very well the spirit of the document: ***This Agenda is a plan of action for people, planet and prosperity.***

G20 should have stronger role to play in translating these words into action.

The defining feature here is not just the technical aspects of the serious development challenges we all face. Spirit of solidarity and cooperation is the real issue. That's why, we placed inclusiveness at the heart of our G20 agenda.

What we need to do is to walk, think and act together.

Thank you for your attention.