

What's on the Global Agenda

Digest from the 2022 B20 Meetings and G20 Leaders' Summit, Bali, Indonesia

This year's B20 and G20 Leaders' Summit took place in Bali, Indonesia, under a continued backdrop of "crisis and chaos, dealing with the aftereffects of a disruptive once-in-a-century global pandemic, conflicts, and lots of economic uncertainty", in the words of G20 2023 Leader, India's Prime Minister Modi. The Summit brought together the group of 19 leaders – with an obvious absentee, Russia's President Putin, represented at the Summit by his Foreign Minister Lavrov. On the heels of COP27, it was another opportunity for new leaders such as the United Kingdom's Prime Minister Sunak, and Italy's Prime Minister Meloni (who along with Ursula von der Leyen, the President of the European Commission were the only female leaders at the event) to establish a presence on the international stage.

APCO Worldwide was on the ground and brings you the key outcomes from these agenda-setting events, diving into a complex geopolitical environment and providing insights on outcomes from Indonesian Presidency's priorities - Global Health Architecture, Digital Transformation and Sustainable Energy Transition and India's G20 Presidency in 2023.

Face To Face: Pivotal Meeting Between China & US Leaders

The most expected outcome from this year's G20 Leaders' Summit was perhaps less the [G20 Bali Leaders' Declaration](#) but rather the first face-to-face meeting between U.S. President Biden and People's Republic of China President's Xi Jinping. Both Beijing and Washington entered the Summit with ambitions of demonstrating diplomatic statesmanship to the international community, avoiding catastrophic misunderstandings, and moving cautiously beyond recent tensions. They had a constructive exchange, agreeing to enhance high-level communication, ensuring "responsible management of competition," reestablishing dialogue on issues like climate action, and condemning nuclear threats toward Ukraine. While reopening communication lines should help cross border traders and investors, ongoing headwinds among domestic constituencies in both nations – particularly in the more volatile U.S. – will test the resolve and durability of these efforts. The encounter was also crucially important to the wider global community, notably for Asia, as North Korea's continued missile tests and the invasion of Taiwan fuel speculations of a looming "open war."

Biden entered the Summit bolstered by his party's stronger-than-expected performance in November's midterm elections. On numerous occasions, he emphasized the U.S. would remain an engaged and leading democracy on the world stage, ready to tackle pressing issues like Russia's war in Ukraine, growing Chinese assertiveness and climate change. "At this critical moment, no nation is better positioned to help build the future we want than the United States of America," he said.

While Taiwan remains the "core of China's core interests," Beijing's emphasis on international stability and economic recovery offers modest glimmers of hope for foreign investors. Multinationals must balance profound commercial opportunities offered by both the China and the U.S. markets with the real risk of deteriorating relations, which could further fray the ability of businesses to operate seamlessly across markets. For multinationals, this environment can lead to an increased need for geopolitical scenario-planning, including: value chain risk auditing, resilience building and diversification; monitoring of political and security trigger points; exploring novel ownership and governance structures; engaging industry peers and strengthening cross-border communication; and creating multilocal market strategies.

The End of War & The Elephant (Not) In the Room

The second priority topic in Bali was the enduring Russia and Ukraine war – despite President Putin's blatant absence – and its continued impact on food, energy, cost-of-living and financial crises. U.S. President Biden pressed other G20 leaders to isolate Russia, leading the [Bali Leaders' Declaration](#) to condemn the use of nuclear weapons while supporting a "peaceful resolution of conflicts, efforts to address crises, as well as diplomacy and dialogue." Despite declaring that "today's era must not be of war," the Declaration fell short of expressing unanimity in condemning Russia as China, India, Saudi Arabia and South Africa have been reluctant to sanction Russia over its actions in Ukraine. PRC's President Xi Jinping stated that the G20 "must resolutely oppose the attempt to politicize food and energy issues or use them as tools and weapons" in some of his strongest language since the beginning of the war. The condemnation of the use of nuclear weapons will also be a central feature on Japan Prime Minister Kishida's G7 Chairmanship in 2023 – who also criticized Beijing's infringements in the East China Sea.

Trade & Investment: Keys to Prosperity & Stability

For decades, trade and investment have been the backbone of global economic growth, propelling innovation, employment, and human development. And then, COVID-19 and the war in Ukraine happened. [WTO Director-General Ngozi Okonjo-Iweala called on G20 Leaders](#) to avoid trade fragmentation and lift export restrictions on food, feed and fertilizers stating that "an open rule-based world trading system will be key to achieving the ambitious goals you have set yourselves of solving food and energy shortages, tackling climate change, financing development and getting the Sustainable Development Goals back on track." The WTO has quantified the impact of increased trade rivalry on global GDP to a 5% drop in the long run – an invitation for strategic cooperation, rather than strategic competition. In the Business-20 (B-20) Trade and Investment session, a call for a much-needed reform of the WTO was – once again – made, with the hope that the on-going crisis would accelerate the process – including on Dispute Settlement – and increase trust in a rule-based, non-discriminatory, free, fair, open, inclusive, sustainable, and transparent multilateral trading system.

Leadership in Transition & Transitions in Leadership

The conductor of this year's G20 relatively tuned orchestra was **Indonesia's President Widodo**, leader of the 4th most populous country on the planet and the first President outside of Indonesia's dynasty politics or military circles. In a [preview with *The Economist's* Zanny Minton-Beddoes](#), he conceded that "finding consensus is difficult, but that a space for dialogue is indispensable to finding solutions for the region, and for the world," adding that "Indonesia is friends with the U.S. and with China and that sanctions are not a solution because they end up falling on the most vulnerable." United Nations Secretary-General, **António Guterres** commended Indonesia's "remarkable capacity in bringing the warring parties together, promoting dialogue, and trying to find concrete solutions amid a difficult situation when geopolitical separation is very real."

Bali was also the perfect backdrop for **India's Prime Minister Modi** to bolster his global leadership and unveil his "[One Earth, One Family, One Future](#)" agenda. In line with his traditional non-alignment, he called for a ceasefire and diplomacy in the Russia-Ukraine war and raised concern that institutions like the United Nations have been unsuccessful in addressing global challenges. The onus is thus "on the leaders to show concrete and collective resolve to ensure peace, harmony, and security in the world." Key priorities on the Subcontinent's agenda in 2023 will focus on ensuring the balance and representativeness of the G20 agenda as well as addressing issues such as sustainable growth, **digital public goods**, technology development, women empowerment and financial inclusion, **the removal of corruption, and improving ease of doing business** – perceived as Indian success stories that can be applied to other countries.

Brazil is due to chair the G20 Presidency in 2024 – a commitment already announced ahead of Luiz Inácio Lula da Silva's recent election. Together with South Africa's forthcoming Chairmanship in 2025 and the potential Chairmanship of COP29 by Brazil, this signals a clear rebalancing of agenda-driving towards emerging markets. This is a critical development as both countries are likely to follow in the non-aligned footsteps of India's increasing influence on the global stage, calling for a recalibration of public and private leaders' global engagement strategies.

Global Consensus on the Global Health Architecture

Likely the smoothest agenda item in Bali – as much of the preparatory work had happened during the [October Health Ministerial Meeting](#) – were deliberations on the Global Health Architecture aimed both at shaping future-proof health systems at national, regional, and global levels, and mitigating the impact of global health crises on economic, social and political stability. The launch of the [\\$1.4 billion Pandemic Fund](#) in support of low- and middle-income countries to better prepare for future global health crises alongside the Joint Finance and Health Ministers' Meeting on November 13th was a centerpiece. The World Bank will manage the Fund, with contributions from Australia, Canada, European Commission, France, Germany, China, India, Indonesia, Italy, Japan, Korea, New Zealand, Netherlands, Norway, South Africa, Singapore, the United Kingdom, Spain, the United States, and the UAE, as well from the Bill and Melinda Gates Foundation, The Rockefeller Foundation, and Wellcome Trust. The Fund comes at a critical juncture as the WHO and the World Bank have projected a pandemic financing gap of ~\$10.5 billion over the next five years.

Indonesia's President Joko Widodo called for higher financial commitments as Indonesia will continue to lead on the specifics of the Fund's management under India's G20 Presidency, alongside Rwanda. Other key conversations to be

continued in 2023 include the creation of a **Digital Passport** – easing global travel during pandemics – and the **agreement on global genome sequencing data sharing** to detect microbes and pathogens. Argentina, Brazil, India, Indonesia, and South Africa also agreed on building a joint research center on vaccines and mRNA manufacturing.

The **United States** reiterated its steadfast support for global health cooperation. U.S. Treasury Secretary Janet Yellen asserted that the Fund serves as an example of the G20’s capabilities to tackle global problems, and that the U.S. is “proud of what we have accomplished. I think the steps we have taken this year will help deliver on a vision of a healthier and more responsive global health architecture.”

India asserted its commitment to creating a future-ready and resilient global healthcare ecosystem, positioning itself as the “the pharmacy of the world,” supplying millions of doses of COVID-19 vaccines to poor countries from Asia to Africa. As 2023 G20 Chair, India aims to address digital health innovation and solutions, and foster greater cooperation in the global pharmaceutical sector. India’s collaboration with the WHO on hosting and building a global traditional health center – with a \$250M investment from India – was commended during the Summit to “harness the potential of traditional medicine through modern science and technology and improve the health of people and the planet.” Mansukh Mandaviya, Union Minister for Health and Family Welfare reiterated India’s commitment to the Pandemic Fund while acknowledging fault lines in the global health architecture, notably on health financing.

The **B20 Ministerial panels and Task Force** primarily focused on the post-COVID-19 trade and investment outlook, calling for innovative projects, digitalization, and technology adoption as well as equal access to vaccines. The joint Finance-Health Task Force progressed further on its mandate to improve coordination between responsible Ministries. In 2023, the Task Force will continue to be co-chaired by Indonesia and Italy, in close coordination with the WHO, International Financial Institutions, and with the support of the Indian G20 Presidency.

Digital Transformation as a Driver for Inclusive Economic Growth

The second pillar of the G20 agenda, **digital transformation across key sectors** like health, finance, agriculture, climate solutions, and tourism focused on four key challenges that pose a threat to creating a more robust digital infrastructure: fraud, the rise of digitally reliant post-COVID-19 business models, criminal activity due to geopolitical tensions, and growing demand for ESG commitments from the private sector. During the **B20, the Digitization Task Force** strongly urged G20 leaders to promote solutions that help eliminate the digital divide while fuelling economic development, especially in emerging markets. The Task Force also emphasized the role of safe and secure data flows in mitigating future global crises and robust digital infrastructure in empowering MSMEs and women-led businesses. The Task Force moved forward fundamental goals for driving today’s digital transformation: achieving universal connectivity, building a foundation for a sustainable and resilient digital economy, enabling business growth through digital platforms, and elevating cybersecurity best-practices to help organizations protect their networks.

In terms of concrete action, the Central Banks of **Indonesia, Malaysia, Thailand, Singapore and the Philippines** agreed to [link payment systems](#) to enable faster, cheaper, more transparent and more inclusive digital cross-border payments – a vital tool for a stronger and more collaborative economic recovery. However, G20 members stalled in progress over sensitive data sharing and digital tax issues, and the onus for key supply-side innovations to drive the digital transformation was [put on the private sector](#). As **India** takes over, Prime Minister Modi emphasized the potential of digital technologies to be a force multiplier in the global fight against poverty and climate change, calling the digital transformation the “most remarkable change of our era.”

The **United States** came into the G20 needing to demonstrate concrete progress and action on infrastructure assistance – including in the digital space – especially after a delayed start by the Biden administration to put forward an alternative to China’s Belt and Road Initiative. The [U.S., Australia and Japan also announced two new digital infrastructure and investment projects](#) to enhance digital connectivity and security in the Pacific, including a \$50 million finance guarantee to facilitate a telecom acquisition deal to enable network upgrades across Papua New Guinea and the Pacific, and a “Blue Dot” infrastructure assessment and certification initiative with an existing subsea cable project in Palau.

The COVID-19 pandemic has undoubtedly accelerated the transition to a digital economy and broader ecosystem. As such, G20 leaders emphasized the importance of affordable and high-quality digital connectivity to drive an inclusive

digital transformation, as well as the need for a secure online infrastructure to counter disinformation campaigns and build trust in the digital economy.

Powering a Just & Sustainable Energy Transition

The sustainable energy transition continues to be a central global challenge, and the **B20 Task Force for Energy, Sustainability and Climate** highlighted this transition as key to averting catastrophic global warming and climate change. The Task Force noted that a “one size fits all” solution will not be successful, and it is up to developed countries to support developing markets in making this transition possible through increased financing, creating multiple pathways for reducing carbon intensity of energy use and enhancing consumer-level access to clean, modern energy.

At the G20, the need for time-bound and **affordable finance for developing nations** to ensure an inclusive energy transition remained a central theme. However, progress was side-lined with heated discussions over carbon tax pricing, as well as continued defence of fossil fuel use by members like China, India, Saudi Arabia, and Turkey. PRC’s President Xi Jinping called for the reversal of “tech-related sanctions,” and India’s Prime Minister Modi echoed the sentiment, noting that the G20 must not promote any restrictions of energy supply to ensure stability in the market. Modi also shared that India, the world’s fastest-growing economy, is on track to achieve its target of generating 50% of its electricity from renewable sources by 2030, emphasizing Modi’s goal to position the country as a responsible global player working to reduce emissions while balancing developmental needs.

President Biden entered the G20 Summit promoting the Administration’s embrace of clean energy transition initiatives as a bedrock of his Administration’s domestic agenda. Leading up to the Summit, Biden reaffirmed the U.S.’s climate engagement in Southeast Asia, striking a Comprehensive Strategic Partnership with the region – a move designed to combat increasing Chinese influence. Biden also reaffirmed U.S. plans to invest \$40 million in Southeast Asia to mobilize \$2 billion in blended financing for clean energy through its [Smart Power Program](#), a nod to the Biden Administration plans to promote further investment in climate-smart infrastructure through USAID funding initiatives. The U.S. also engaged leaders from Argentina, Canada, France, Germany, India, Japan, Korea, Senegal, Indonesia, the UK, and the EU under the Partnership for Global Infrastructure and Investment (PGII), which led to several additional U.S.-led project investments in support of sustainable energy development.

EU Commission President Ursula von der Leyen called for a rapid transition to renewable energies, especially as the region works to reduce its reliance on Russian oil and gas. At COP27, German Chancellor Olaf Scholz continued to promote the concept of a "[Climate Club](#)" as a kind of multinational trade agreement intended to prevent industries from simply moving away when climate standards are raised in their operating country. Scholz also stressed the importance of securing energy supply chains, and Germany has made a commitment to provide a total of EUR 280 million for a newly announced [G7 International Climate Initiative](#) (ICI), to ensure that financial aid can be disbursed quickly and directly to affected countries in the event of extreme weather events.

Perhaps one of the most important sustainability-related outcomes of the G20 summit is the [Just Energy Transition Partnership](#) (JETP) announced by Indonesia’s President Joko Widodo and European Commission’s President Ursula von der Leyen. In a joint statement, Indonesia and International Partners Group (co-led by the United States and Japan, and including Canada, Denmark, France, Germany, Italy, Norway, and the United Kingdom) committed to groundbreaking climate targets and \$20 billion in associated financing to support the country in its energy transition, consistent with the Paris Agreement goals. Indonesia’s goal to build an emissions-free power generation sector by 2050 serves as a strong signal of the country’s intentions to become a global leader in the just and affordable transition from fossil fuels to clean energy, and an inspiration to other countries across the world.

Please reach out if you would like to discuss these themes and opportunities for your organization further!



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