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News: African Union to join G20, as Sherpas reach a deal

- The African Union (AU) is set to join the G20 as negotiators agreed on clearing its membership, according to sources privy to the discussions at the Sherpa meeting at a resort on the outskirts of Delhi.
- This will mean the 55 member AU will join the European Union as the only two regional bodies in the G20.

Group of 20 (G 20)

- Group of 20 (G-20) is an international forum for Govt. and Central bank governors from 19 countries and European Union.
- Aim of the grouping is to bring together systemically important industrialized and developing economies to discuss key issues in the global economy.
- G 20 was founded in 1999 to discuss policies relating to financial stability.
- G-20 has expanded its agenda since 2008 and Heads of Gov./Heads of States as well as Finance Ministers and foreign ministers have met periodically.
- G20 works with International Organization of Securities Commission (IOSCO) and Financial Stability Board (FSB) in setting up the standards for strengthening the securities markets.

The work of G20 is divided into two tracks:

- The **Finance track** comprises all meetings with **G20 finance ministers** and **central bank governors** and their deputies. Meeting several times throughout the year they focus on monetary and fiscal issues, financial regulations, etc.
- The **Sherpa track** focuses on broader issues such as **political engagement, anti – corruption, development, energy, etc.**
- Since 2011, **G20 summits had been held annually.**
- **Spain** is a **permanent non member** invitee for the G-20 summits held annually.
- Members are **Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, United Kingdom, United States and European Union.**
- Recently, it was decided that the **African Union (AU) will join the G 20.**
- Collectively, the **G20 economies account for around 90% of the gross world product (GWP), 80% of world trade** (or, if excluding EU intra-trade, 75%), **two-thirds of the world population, and approximately half of the world land area.**
- The **chairmanship of G-20 is rotated among members** for a period starting from December 1 to November 30 of each year. Current chair is Italy (2020 - 2021), followed by Indonesia (2021 - 2022) and India (2022 - 23). The **group of present, immediate past and immediate next chairperson is called G-20 Troika.**

- G-20 works **without a permanent secretariat**. Each year, **incumbent chair will setup a temporary secretariat**. **Osaka Track on Digital economy** (discussed in 2019 summit held at Osaka, Japan) **was rejected by India**, Indonesia and South Africa.
- G-20 Summits includes summit of State leaders, Summit of Finance Ministers and Central Bank Governors, Summit of Labour and Employment Leaders, Summit of Foreign Leaders, Summit of Education Ministers, B20 Summit, C20 Summit, T20 summit, W20 Summit and Y20 summit.
- Recently, Italy organised Global Health Summit as its role as President of G20.
- The recent G20 agricultural ministers' summit (21–09–2021) saw the adoption of "**Florence Sustainability Charter**".

Delhi Declaration on Cybersecurity

- Lieutenant General Rajesh Pant (retd.), **the National Cybersecurity Coordinator**, recently, outlined a draft of what he called the “Delhi Declaration”, a series of **commitments to “responsible state behaviour in cyberspace” for G20 member countries**, drawn from existing nonbinding norms that they have already signed onto under the auspices of the United Nations.
- If adopted, G20 countries would commit to **not damage critical infrastructure or other essential systems; commit to cooperate, mitigate and investigate cyber**

incidents, and other malicious activities in cyberspace, in particular when it comes to ransomware; commit to protect and not disrupt software supply chains; commit to respect international law and rule of law in cyberspace; and finally commit to protecting the humanitarian sector.

G20 Resource Efficiency Dialogue

- G20 Resource Efficiency Dialogue was decided to establish at the G20 summit in Hamburg, Germany, on 7-8 July 2017 by the G20 members.
- The key aim of this Dialogue is to **make the efficient and sustainable use of natural resources a core element of the G20 talks.**
- Since the establishment in 2017, the G20 members and related stakeholders have advocated a **resource-efficient and sustainable global economy and promote sustainable consumption** and production patterns among and beyond the G20 in order to achieve the global Sustainable Development Goals (SDGs), combat poverty, take climate action and protect the environment.

Global Health Summit

- Global Health Summit has been recently **organised by Italy in partnership with the European Commission.**
- The **European Commission is the executive branch of the European Union** (EU). It is responsible for proposing legislation, implementing decisions, upholding the EU treaties and managing the day-to-day business of the EU.
- It **highlighted and appreciated the international scientific collaboration as one of the factors behind the rapid development of Covid-19 vaccines.**

- Covid-19 vaccines are the product of complex supply chains, which span many countries, each of which is based on its own industrial capacity and expertise.
- As an outcome of the Summit, the decision for **adopting the Rome Declaration** was taken.

OECD – G20 Inclusive Framework on Base Erosion and Profit Sharing

- India has joined **Organisation for Economic Co-operation and Development (OECD) and G20 Inclusive Framework tax deal**. Majority of the members of OECD and G20 countries adopted a high-level statement containing an outline of a consensus solution to address the tax challenges arising from the digitalization of the economy.
- The proposed solution consists of two components- **reallocation of additional share of profit to the market jurisdictions and minimum tax subject to tax rules**.
- However, the technical details of the proposal will be worked out in the coming months and a consensus agreement is expected by October.
- The principles underlying the solution vindicates India's stand for a greater share of profits for the markets.

- India is in favour of a consensus solution which is simple to implement and simple to comply. At the same time, the solution should result in allocation of meaningful and sustainable revenue to market jurisdictions, particularly for developing and emerging economies.
- Some significant issues including share of profit allocation and scope of subject to tax rules, remain open and need to be addressed.

African Union (AU)

- African Union (AU) is the **political continental union consisting of 55 countries of Africa, except various territories of European possessions** located in Africa which **replaced Organisation of African Unity (OAU)**.
- Recently, it was decided that **African Union (AU) will join the G 20 grouping**.
- AU was announced in the **Sirte Declaration** in Sirte, Libya on 9th September 1999.
- Founded in 26th May 2001 in **Addis Ababa, Ethiopia** & its secretariat is located there.
- Most important decisions are made by **Assembly of AU, a semi-annual meeting of Heads of State and Government of its members**.

- 12th Extra-Ordinary Summit of African Union saw **54/55 members (except Eritrea) signing the African Continental Free Trade Agreement (AfCFTA)**. AfCFTA seeks to create a single continental market for goods & services.
- It establishes the **largest free trade agreement since the creation of WTO**.
- Recently, India has extended \$15 million financial support to Niger as a support for organizing AU Summit.
- **Membership of Male has been suspended** following the military coup in the state.

African Continental Free Trade Area (AfCFTA)

- The African Continental Free Trade Area (AfCFTA) is a **free trade area, outlined in the African Continental Free Trade Agreement among African Union nations**.
- AfCFTA is the **largest in the world in terms of participating countries** since the formation of the World Trade Organization.
- The agreement was brokered by the African Union (AU) and was signed on by 44 of its 55 member states in Kigali, Rwanda in 2018. To date, the **Agreement has been signed by 54 out of 55 member States**.
- **Accra, Ghana serves as the Secretariat** of AFCFTA.

- The United Nations Economic Commission for Africa (UNECA) forecasts that the simplification of border controls and the reduction in duties to AfCFTA will boost intra-regional trade by 52 percent in five years.

Bamako Convention

- The Bamako Convention on the Ban on the Import into Africa and the Control of Transboundary Movement and Management of Hazardous Wastes within Africa is a treaty of African nations prohibiting the import of any hazardous wastes, including radioactive waste.
- The Convention was negotiated by twelve nations of the Organisation of African Unity at Bamako, Mali in January, 1991, and came into force in 1998.
- Impetus for the Bamako Convention arose from the failure of the Basel Convention to prohibit trade of hazardous waste to less developed countries (LDCs) and from the realization that many developed nations were exporting toxic wastes to Africa.
- The Bamako Convention uses a format and language similar to that of the Basel Convention, but is much stronger in prohibiting all imports of hazardous waste. Additionally, it does not make exceptions on certain hazardous wastes (like those for radioactive materials) made by the Basel Convention.