The G8 Stakeholder Consultation

Summary of recommendations

In recent years the G8 has seen a more systematic attempt to bring stakeholders into its ongoing process of policy development, notably through consultation and co-ordination with the national ‘sherpas’ who prepare the policy agenda for G8 ministerial meetings and the annual G8 Summit. As part of this process, Chatham House organised the 2005 Stakeholder Consultation, in partnership with the Montreal International Forum, the Green Globe Network, the Climate Action Network and LEAD International. The participants were representative of a cross-section of stakeholder groups and regions of the world, with particular emphasis on developing countries and regions. Other groups such as local government organisations, trade unions, youth groups, business and Make Poverty History (MPH) were kept informed.

The following recommendations issued from a series of meetings on 21-23 March in London, held under the Chatham House Rule of non-attribution. The discussions culminated in a substantive meeting between the G8 Sherpa Stakeholder Group, the G8 Sherpas or their representatives, and the European Commission.

An independent project evaluation will take place later in the year: its report and recommendations will be included in the final project report, 2005 G8 Stakeholder Consultation – Process, Perspectives and Recommendations.

The recommendations

1. Africa

• The G8 countries must take responsibility for their contribution to corruption. The G8 should make a commitment to ‘put their own houses in order’. Such a step would increase G8 credibility and lend weight to discussions with African nations on issues such as corruption.

• A proposal, the G8 countries could take an important concrete step by ratifying the UN Convention against Corruption.

• The issue of repatriation of funds plundered through high-level corruption must be addressed. Repatriation is recognised by African civil society as critical, as success would provide essential resources for reconstruction and rehabilitation.

• The G8 should recognise its contribution to the African ‘brain drain’ which attracts essential skills and human resources to the developed countries – and the impact this has on Africa’s development.

• Recognising the contribution to conflict of the arms trade in Africa, which causes destabilisation and stifles development, the G8 countries should commit to a legally binding treaty to stop the proliferation of arms.

• Causes of conflict are often commodity based. Processes that increase transparency, such as Extractive Industries Transparency Initiative (EITI), should be supported by the G8; civil society could play a critical role in the success of such processes.

• G8 countries must address the issue of mutual responsibility of companies based within G8 countries operating in Africa, through the effective enforcement of instruments such as the OECD Guidelines for Multinational Enterprises.

• Africa cannot tackle the issue of poverty without concurrently ensuring growth; this requires significant investment in intra-African infrastructure and consideration of future markets (eg India, China). In this respect, the G8 must ensure the effective delivery of aid.

• Projects do not create change – policies create change. Aid must be coherent, consistent and delivered effectively – this includes de-linking the aid and trade issues.

• The direction of aid towards budgetary support is positive, but also increases the need for a focus on national mechanisms of accountability. In their discussions, the G8 countries should ensure that their commitments support the role of women in all aspects of Africa’s development.

• Decentralisation is key. Policy
implementation takes place at a local level, so the issues of capacity and accountability must be addressed through programmes with a local level focus. G8 countries should support increased coherence among donors in supporting decentralisation.

- A new G8/Africa Forum should be established to bring together political leaders from the G8 and Africa as well as IFIs, the UN and the African Development Bank.
- The forthcoming UNECA/OECD-DAC biennial report on mutual accountability of donors should be the focus of discussions at the G8 Africa Forum – providing a mechanism for reviewing commitments and progress towards implementation.
- The G8 should support the development of a strategy to address the combined agenda issues of climate change and development in Africa, particularly by assisting Africa to adapt to climate change by building disaster risk reduction and other climate change risks into development plans.
- The G8 does not itself have the legitimacy to take forward many of the issues on the agenda in relation to Africa. The countries making up the G8 should commit to action in the appropriate multilateral forums.
- Independent civil society monitoring of G8 and other commitments is key.

2. Climate change
   i. Science and its policy implications.
   - Accept the outcome of the Hadley Centre conference ‘Avoiding Dangerous Climate Change’, which showed that the scale and urgency of climate change is much greater than previously thought and that dangerous climate change would occur if the global temperature rise approaches 2°C above pre-industrial levels.
   - Initiate national processes to reach agreement on mid- and long-term domestic targets (for 2020 and 2050) aimed at avoiding dangerous climate change.
   - Reflect the outcome of these processes in national commitments made in the UNFCCC negotiations on post-2012 action, which should also be conducted on the basis of equity.
   - Implement responsible and effective climate policies while providing business with a stable investment environment by agreeing mandatory domestic caps on greenhouse gas emissions and adopting associated trading systems compatible with existing global and sub-global emissions trading schemes.
   - Crafting a post-2012 emissions reduction regime is the most urgent task facing G8 participants. G8 leaders should not imagine that voluntary technology efforts are an effective substitute. A key issue remains the question mark over US participation in any binding international emissions reduction agreements.
   ii. Support vulnerable countries’ (eg LDCs, etc) efforts at all levels of society to address climate change risks in development and poverty reduction planning; support efforts to mainstream adaptation needs into their national development strategies/policies.
   - Implement the WSSD 2002 agreements and the outcomes of the World Conference on Disaster Reduction (Kobe, 2005) on improving food and water security and combating land degradation and desertification; provide inputs to the UN Millennium Development Goals assessment process.
   - In partnership with African countries, commit to developing a time-bound and funded plan of action to increase Africa’s resilience to climate change and review the progress of G8 commitments next year under the Russian Presidency.
   - Recognise the need for urgent action and make resources immediately available for low cost, community-based adaptation measures that include action to reduce disaster risks.
Preventing a global climate catastrophe requires a decarbonised development path for industrialising economies. Between 1994 and 1999, through loans, financing guarantees and insurance, export credit agencies in developed countries, particularly the G8, accounted for roughly 20 per cent of all financing (approximately US$44.4 billion) for energy-intensive sectors and exports in developing countries. The total value of the energy-intensive projects or exports for which ECAs provided some form of financing exceeded US$103 billion, demonstrating that every dollar of ECA financing draws in more than two dollars of private capital. This US$103 billion accounts for just under half of all trade and project financing for energy-intensive sectors in developing countries. Fossil-fuelled power (US$33.3 billion) and oil and gas development amounts to some 71 per cent of the total.

To facilitate exports of low-carbon technologies, G8 Export Credit Agencies should:
- Commit to greater transparency and disclosure;
- Establish minimum energy-efficiency standards and a ceiling for carbon intensity; and
- Through preferential premium charges and interest rates, facilitate investment in renewable energy technologies and energy efficiency.

Recommendations for G8 Nations, collectively and individually, from Stakeholder and Citizens.
- Promote understanding by citizens of climate change related problems, consequences and potential solutions. Expand the engagement of people throughout the community and encourage the adoption of practical actions and participation in the political process.
  - Communicate the science in comprehensible and compelling terms, including the effects of insufficient action.
  - Prevent misinformation and promote accurate media coverage.
- Strengthen all levels of government, including municipalities, to enable identification of the threats posed by climate change and highlight the opportunities presented by potential solutions. Indicators of success would be:
  - Local government’s ability to engage the local community.
  - Local government’s ability to define the point at which the community’s awareness of climate change has been raised.
- Promote common standard and facilitate employee engagement and representation on climate change.
- Promote collaboration and exchanges of information and best practice among government entities, NGOs, trade unions, businesses and others concerned with climate change.
  - Build government entities’ capacity to lead by example.
  - Exchange information to ensure stakeholders don’t reinvent the wheel.

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