



G8 Research Group – Oxford

**'Outreach 5' Country Objectives Report
2007 Heiligendamm Summit**

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Prepared by:

Timothy Myatt, Carlos Sayao, Diarmuid Torney, and Zinta Zommers

The views expressed in this report are those of the authors alone.
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Outreach 5 - Introduction

The first move towards 'outreach' at the G8 – whereby non-G8 member states are included in aspects of summit discussions – came in 2000 when Japan invited a group of leaders from developing countries, including the presidents of South Africa, Nigeria and Algeria, and international institutions to meet G8 members over dinner.¹ The French G8 Presidency in 2003 extended outreach beyond Africa, inviting a selection of other leading developing countries including China, India, Brazil and Mexico. However, these countries were not invited to attend the Sea Island Summit the year after by the US Presidency, which focused instead on the Middle East region.

The UK Presidency at Gleneagles in 2005 re-established an informal G8 dialogue with the 'Outreach 5' ('O5' – Brazil, China, India, Mexico and South Africa) and several other countries on energy and global warming. Germany has taken this further by asking the O5 for the first time to send envoys to a pre-Heiligendamm meeting in Berlin on climate change. Ministers from O5 countries have also attended meetings of G8 environment and labour ministers.

The 2007 Germany Presidency has proposed the establishment of regular, structured and institutionalised cooperation between the G8 and the O5, under the heading 'Heiligendamm Process'.² It is not proposed that the G8 would be expanded to a G13, but rather that the O5 are included in ongoing and formalised topic-oriented dialogue.³

This process of outreach raises crucial issues for the future of the G8. In this context, the G8 can be seen to be responding to the fact that there have been major shifts in the contours of the international system since the creation of the G7 in the 1970s. The O5 accounts for approximately 42 per cent of the world's population and 11 per cent of gross world product, measured by real exchange rates. Conversely, the G8 accounts for approximately 13 per cent of the world's population and 62 per cent of gross world product.⁴ On the issue of climate change in particular, there is universal recognition that a deal on greenhouse gas (GHG) emissions reductions that does not include major emerging countries such as China and India is of little use. At the same time, the G8 (and previous G7) has always been an exclusive club, and those inside carefully guard their status. In particular, it is highly unlikely that Japan would agree to admission of China as a full member.

A key question is, therefore, what form and content cooperation between the G8 and the O5 will embody. Will the process involve substantive engagement of the O5, or is it simply an attempt at 'window-dressing', with the real business being carried out among the G8? What institutional form will cooperation take? Will engagement gradually expand to encompass an ever greater number of issues, as occurred with Russia over the course of the 1990s,⁵ or will it remain strictly limited to an agenda defined by the current G8?

¹ Bayne, Nicholas, *Staying Together: the G8 Summit Confronts the 21st Century*, Aldershot: Ashgate, 2005.

² Dialogue with emerging economies, German Presidency of the G8, (Berlin), Date of Access: 7 June 2007. <http://www.g-8.de/Webs/G8/EN/G8Summit/Participants/Outreach/outreach.html>

³ Dialogue with emerging economies, German Presidency of the G8, (Berlin), Date of Access: 7 June 2007. <http://www.g-8.de/Webs/G8/EN/G8Summit/Participants/Outreach/outreach.html>

⁴ From St. Petersburg to Heiligendamm: The Continued Involvement of the 'Outreach 5', G8 Research Group: Civil Society and Expanded Dialogue Unit, (Toronto), June 2007. Date of Access: 7 June 2007. http://www.g8.utoronto.ca/evaluations/csed/outreach_070606.pdf

⁵ This process culminated with full membership for Russia at the Birmingham Summit in 1998.

How will the O5 approach the process? At present they are carefully balancing their response to the G8 advances. As an exercise in exerting influence and gaining technical knowledge, the O5 value the chance to engage more closely with the G8. "We value the extra chance to get our messages across, to bring new perspectives to the table" one Asian diplomat commented.⁶ On the other hand, members of the O5 may wish to limit association with Western governments, not always popular with domestic audiences, and the possibility of reduced credibility with other developing countries.

⁶ Great powers present and future try to keep it casual, Financial Times, (London), 4 June 2007. Date of Access: 7 June 2007.
http://www.lexisnexis.com/uk/business/results/docview/docview.do?risb=21_T1625321803&format=GNBFI&sort=null&startDocNo=1&resultsUrlKey=29_T1625321857&cisb=22_T1625321856&treeMax=true&treeWidth=0&csi=293847&docNo=1

Brazil

President Lula has been active in the global media leading up to the Heiligendamm Summit. He has recently spoken out in the international press on issues such as climate change and trade, and aspires to strengthen regional alliances in Latin America. In recent visits to Argentina and Chile, the Brazilian president has been using diplomacy to balance Venezuelan President Hugo Chavez's blatant anti-American campaign in the region.⁷ Lula is hoping expand his pragmatic image globally and solidify Brazil's leadership role in Latin America by maximizing media attention at the Summit.

Brazil will be pushing two main themes at the Heiligendamm Summit: climate change and trade. President Lula comes to Germany after a trip to India where these two issues were at the forefront of bilateral discussions. The visit resulted in a declaration that the problem of climate change has been caused by "unsustainable consumption and production patterns in the developed world."⁸ An ambitious goal to quadruple bilateral trade to USD 10 billion by 2010 was also agreed on in New Delhi.⁹ Lula claims that the Indian agreements mark the beginning of a strong business relationship between the two emerging economies, and hopes that this solid political alliance will effectively push these two general themes in Heiligendamm.¹⁰ Specifically, Brazil will pursue four Summit objectives within the themes of climate change and trade: Post-2012 climate agreements, positive incentives for reducing deforestation rates, progress on the Doha Development Round trade talks, and the promotion of global ethanol markets.

President Lula will have private meetings with G8 leaders Bush, Putin, Merkel, Harper, Sarkozy and Blair. As an 'Outreach' country, he will also participate in roundtables with the leaders of China, India, Mexico and South Africa. In addition, Lula will meet with the president of Nigeria under the 'African Outreach' initiative, as well as the Secretary General of the UN, Ban Ki-Moon.

Objective 1: Post-2012 Climate Agreement

Brazil is supportive of maintaining the UN as the main international institution to address climate change. The country has signed and ratified the Kyoto Protocol as a Non-Annex 1 party, and thus does not have legally binding greenhouse gas (GHG) emissions reduction targets. Instead, emissions reductions can be achieved in Brazil through of the Protocol's Clean Development Mechanism (CDM). Brazil benefits from hosting CDM projects in two major ways. First, the country receives increased foreign investment from emissions reductions projects; and second, it enjoys promotion of its sustainable development goals, as this is one of the prerequisites for CDM project approval by the UN. As a result, Brazil demands that international climate agreements remain under the UN framework and flatly rejects US President Bush's recently announced alternative plan involving a series of meetings between the 15 biggest emitters.

⁷ Lula hopes to restore Brazil's regional sway, Los Angeles Times, (Buenos Aires), 27 April 2007. Date of Access: 6 June 2007.

<http://pqasb.pqarchiver.com/latimes/access/1261298951.html?dids=1261298951:1261298951&FMT=ABS&FMTS=ABS:FT&type=current&date=Apr+27%2C+2007&author=Patrick+J.+McDonnell&pub=Los+Angeles+Times&edition=&startpage=A.4&desc=Lula+seeks+to+restore+Brazil%27s+regional+sway>

⁸ India, Brazil consolidate strategic ties, The Hindu, (New Delhi), 5 June 2007. Date of Access: 6 June 2007.

<http://www.hinduonnet.com/thehindu/thscrip/print.pl?file=2007060507091000.htm&date=2007/06/05/&prd=th&>

⁹ India, Brazil set target to boost bilateral trade to \$10 billion a year by 2010, Associated Press, (New Delhi), 4 June 2007. Date of Access: 7 June 2007.

¹⁰ G8 participation is Lula's wildcard, Folha de Sao Paulo, (New Delhi), 6 June 2007. Date of Access: 6 June 2007. <http://www1.folha.uol.com.br/folha/colunas/brasiliaonline/ult2307u302307.shtml>

"The Brazilian position is clear cut," President Lula said. "I cannot accept the idea that we have to build another group to discuss the same issues that were discussed in Kyoto and not fulfilled."¹¹ Lula also criticized the US plan as 'voluntarism,' claiming that it discredited the legally-binding multilateral international institutions that exist to address climate change.¹²

Specifically, Lula hopes to discuss the 'common but differentiated' roles of developed and developing countries in climate change mitigation and adaptation. The President noted that 65% of global GHG emissions come from rich countries; therefore, they should bear the highest responsibility to clean up the planet. Furthermore, Lula called for financial support from rich countries to assist poor countries in pursuing sustainable development.¹³

A successful result on a post-2012 climate change mitigation framework from a Brazilian perspective would include an agreement by the G8 committing themselves to binding long term emissions reductions targets under a Kyoto-like UN process. Furthermore, the leaders would need to reaffirm that developed countries need to take the lead by setting more stringent objectives. Brazil will likely be joined by all G8 countries except for Canada and the US in its support for climate change mitigation to be addressed under the framework of the UN; however, it is unlikely that a firm commitment for concrete post-2012 targets will be agreed upon in Heiligendamm.

Objective 2: Financial Incentives for Reducing Deforestation Rates

With respect to tropical deforestation, Brazil has long promoted positive financial incentives for countries that reduce their deforestation rates. On 14 November 2006, the country submitted to the UN Framework Convention on Climate Change (UNFCCC) Conference of the Parties (COP) 12 in Nairobi a proposal 'focused on policy approaches and positive incentives to reduce emissions from deforestation in developing countries.'¹⁴ It outlines a voluntary scheme in which developing countries would receive financial compensation for reducing emissions from deforestation below a reference emissions rate. The proposal does not suggest that avoided deforestation should be covered under the CDM. President Lula hopes to discuss this issue further with G8 leaders at the Summit.¹⁵

Success for Brazil with respect to this objective would involve an agreement by G8 leaders that a global fund to compensate countries is the most effective way to incentivize countries to reduce deforestation rates. The technical details of climate change agreements are usually addressed by experts at UNFCCC conferences and there is some support for including deforestation under the CDM within G8 countries; therefore, it is unlikely that much progress will be achieved on this subject in Heiligendamm.

¹¹ Brazil rejects Bush move on climate change talks, The Guardian, (London), 4 June 2007. Date of Access: 6 June 2007. <http://environment.guardian.co.uk/climatechange/story/0,,2094756,00.html>

¹² Lula rejects Bush's proposal on parallel climate negotiations, Folha de Sao Paulo, (London), 4 June 2007. Date of Access: 6 June 2007. <http://www1.folha.uol.com.br/folha/ciencia/ult306u301879.shtml>

¹³ Brazil president to propose G8 pay poor nations for saving forests, Dow Jones International News, (Rio de Janeiro), 4 June 2007. Date of Access: 7 June 2007.

¹⁴ Submission from Brazil to the 12th COP, United Nations Framework Convention on Climate Change, (Nairobi), 14 November 2006. Date of Access: 14 March 2007. http://unfccc.int/files/meetings/dialogue/application/pdf/wp_21_braz.pdf

¹⁵ Brazil president to propose G8 pay poor nations for saving forests, Dow Jones International News, (Rio de Janeiro), 4 June 2007. Date of Access: 7 June 2007.

Objective 3: Doha Development Round Trade Negotiations

The main trade related objective for Brazil at the Summit is the promotion of an agreement on the Doha Development Round of trade talks. Lula has expressed optimism with regards to this issue and believes that important breakthroughs in the Doha negotiations will occur at the Summit or in the following few weeks. The president has claimed that "if nothing happens, we will go into history as a generation of politicians that failed humanity, especially the poor."¹⁶ Specifically, Brazil is pushing for easier accessibility for their agricultural products to reach Europe's highly protective markets.¹⁷ The Brazilian president went on to claim that agreement on the Doha round is a pre-requisite for combating poverty, organized crime and terrorism, and that only climate change is a more pressing global issue than trade.¹⁸

A successful outcome with respect to trade at the Summit would include a general statement by G8 leaders reaffirming the importance of consensus on the Doha round. A concrete decision is very unlikely because there is significant political disagreement between developed and developing countries with regards to agricultural subsidies and also because the Doha round is within the World Trade Organization institutional framework.

Objective 4: Global Ethanol Market

Brazil will also attempt to push for the creation of a global ethanol market at the G8 Summit. Lula would like to see ethanol become a globally traded commodity like coffee or oil, which would effectively benefit the country as it is a major ethanol producer. Furthermore, the President claims that ethanol could be a means of poverty reduction in developing countries in addition to a means of climate change mitigation.¹⁹

Non-governmental organisations have expressed concerns with Brazil's ambitious plans to expand ethanol markets, claiming that this could lead to a monoculture of sugar cane and increased tropical deforestation, as well as divert land from food production.²⁰ A successful outcome for Brazil would consist of an agreement by G8 leaders to a substantial biofuels target, but due to the controversy associated with mass land conversion for biofuels, this is an unlikely result at this Summit.

Carlos Sayao
G8 Research Group – Oxford

¹⁶ Brazil rejects Bush move on climate change talks, The Guardian, (London), 4 June 2007. Date of Access: 6 June 2007. <http://environment.guardian.co.uk/climatechange/story/0,,2094756,00.html>

¹⁷ Blair faces three key issues at final G8, The Guardian, (London), 5 June 2007. Date of Access: 6 June 2007. <http://www.guardian.co.uk/g8/story/0,,2095732,00.html>

¹⁸ Brazil rejects Bush move on climate change talks, The Guardian, (London), 4 June 2007. Date of Access: 6 June 2007. <http://environment.guardian.co.uk/climatechange/story/0,,2094756,00.html>

¹⁹ G8 participation is Lula's wildcard, Folha de Sao Paulo, (New Delhi), 6 June 2007. Date of Access: 6 June 2007. <http://www1.folha.uol.com.br/folha/colunas/brasiliaonline/ult2307u302307.shtml>

²⁰ Brazilian president presents the importance of biofuels at the G8 summit, IPS Latin America, (Rio de Janeiro), 5 June 2007. Date of Access: 7 June 2007. <http://www.ipsnews.net/news.asp?idnews=38051>

China

The People's Republic of China is represented at the G8 Summit in Heiligendamm by President Hu Jintao. China is the world's most populous country, with the second largest economy (after the US) and, according to some reports, may overtake the US as soon as later this year as the world's largest emitter of greenhouse gases (GHG).²¹ Significantly, China is the only member of the 'Outreach 5' (O5) which is a permanent member of the United Nations Security Council.

China has indicated in advance of the G8 Summit that it views the process as a useful dialogue between the G8 and major developing countries, but that the dialogue should be conducted in a spirit of equality, and that the G8 Outreach programme should not be seen by the G8 members as a means of exerting pressure on developing countries.²²

China's principal objectives at the Summit centre on the themes of climate change, Africa (with particular reference to Darfur), imbalances in the global economy, combating piracy and the 'Heiligendamm Process.' It should be noted that a general feature of China's objectives at the G8 Summit is their negative character, in the sense that China is seeking to avoid agreement across a range of issues on which G8 member states are hoping to achieve agreement.

Objective 1: Climate Change

In advance of the G8 Summit, the Chinese government published its first ever National Plan to Address Climate Change.²³ This Plan focuses on means by which GHG emissions can be reduced, and includes intensity targets, but does not contain emissions reductions targets. Measures to cut emissions contained in the Plan include promoting hydroelectric power and other clean energy sources, strengthening the development and use of new energy-saving technologies, improving agricultural infrastructure, tree-planting and greater public awareness of the issue. Market measures such as resource pricing reform are also proposed.²⁴ The Plan also includes a pledge to cut energy consumption per unit of gross domestic product by 20% from 2005 to 2010.²⁵

It is against this background that China approaches climate change discussions at the G8 Summit. China's overall position is to avoid emissions reductions targets. The head of China's National Development and Reform Commission argued, at the launch of the National Plan, that developed nations bear "the unshirkable primary responsibility for climate change," since they have historically contributed most to the GHGs now in the atmosphere. Hence, China argues, the developed world must undertake the principle efforts to combat global warming.²⁶

For these reasons, China opposes quantified emissions targets. At the Summit, therefore, we can expect China to oppose the German Presidency's attempt to

²¹ The Great Pall of China, The Independent, (London), 25 April 2007. Date of Access: 7 June 2007. http://environment.independent.co.uk/climate_change/article2483839.ece

²² G8 not platform for exerting pressure, Government of the People's Republic of China, (Beijing), 4 June 2007. Date of Access: 7 June 2007. http://www.gov.cn/misc/2007-06/04/content_636224.htm

²³ National plan to address climate change, Government of the People's Republic of China, (Beijing), 4 June 2007. Date of Access: 7 June 2007. http://english.gov.cn/2007-06/04/content_635624.htm

²⁴ Beijing unveils plan to tackle climate change; Nation joins global warming fight, South China Morning Post, (Hong Kong), 5 June 2007. Date of Access: 7 June 2007.

²⁵ Beijing unveils plan to tackle climate change; Nation joins global warming fight, South China Morning Post, (Hong Kong), 5 June 2007. Date of Access: 7 June 2007.

²⁶ Beijing unveils plan to tackle climate change; Nation joins global warming fight, South China Morning Post, (Hong Kong), 5 June 2007. Date of Access: 7 June 2007.

achieve agreement on a text which commits to a quantified reduction in emissions by a specified date – in the order of a 50% reduction by 2050 according to leaked drafts. China also, by implication, rejects binding emissions targets for itself as part of any post-2012 framework.²⁷ China opposes the inclusion of a statement that average global temperature should increase by no more than 2 degrees Celsius, arguing that there is a lack of scientific evidence to support such a goal and that further research is needed on the economic and social impacts of such an increase. Furthermore, China is looking for help from the developed world in cutting its emissions.²⁸

Objective 2: Africa

China has strengthened its ties with Africa in recent years, including through imports of natural resources and economic aid. A feature of China's economic aid to Africa is the absence of stringent conditionality. As such, China is not likely to actively support the elements of the 'Growth and Responsibility in Africa' item of the G8 Agenda dealing with good governance and strengthening links with pro-reform African governments, though this item is not officially on the O5 agenda. Some G8 member states are concerned by the increasing propensity of China to lend money to African states without conditions, where they have just written off billions of dollars of unpaid debts.

On the specific issue of Darfur, China opposes the imposition of sanctions and favours a negotiated solution instead. China sells arms to Sudan and buys more than half its oil output and, as a permanent member of the United Nations Security Council, has opposed US-led attempts to use sanctions to force Sudanese President Omar al-Bashir to allow UN troops into Darfur.²⁹ China is likely therefore to oppose any attempt to achieve agreement at the G8 Summit to impose sanctions on Sudan.

Objective 3: Imbalances in the Global Economy

The US trade deficit with China ran to USD 233 billion in 2006,³⁰ and US manufacturers contend that the Yuan, the Chinese currency, is overvalued by as much as 40%.³¹ As a result, the United States and European Union want China to deflate trade surpluses to help rebalance global growth. China has pledged to do more to reduce imports and reduce its economy's reliance on exports, but has maintained that it will reform its foreign exchange regime at its own pace and that a stronger Yuan alone cannot resolve such economic imbalances. Therefore,

²⁷ Citing 'right to development,' China rejects emissions cap, The Globe and Mail, (Toronto), 5 June 2007. Date of Access: 7 June 2007.

http://www.lexisnexis.com/uk/business/results/docview/docview.do?risb=21_T1623550651&format=GNBFI&sort=BOOLEAN&startDocNo=1&resultsUrlKey=29_T1623550654&cisb=22_T1623550653&treeMax=true&treeWidth=0&csi=303830&docNo=2

²⁸ G8 cannot afford to ignore emerging economies, Agence France Presse, (Paris), 5 June 2007. Date of Access: 7 June 2007.

http://www.lexisnexis.com/uk/business/results/docview/docview.do?risb=21_T1624609163&format=GNBFI&sort=null&startDocNo=1&resultsUrlKey=29_T1624609176&cisb=22_T1624609175&treeMax=true&treeWidth=0&csi=10903&docNo=1

²⁹ Asia-Europe Meeting Serves to Flesh Out G8 Priorities, Deutsche Welle, (Bonn), 29 May 2007. Date of Access: 7 June 2007.

³⁰ Bush, China's Hu discuss upcoming trade talks, Reuters, (Washington), 9 May 2007. Date of Access: 7 June 2007.

<http://www.reuters.com/article/politicsNews/idUSN0927827820070509?feedType=RSS&rpc=22>

³¹ China's Hu prepares to attend G-8 with his nation at the heart of the world's concerns, Associated Press Worldstream, (Berlin), 3 June 2007. Date of Access: 7 June 2007.

http://www.lexisnexis.com/uk/business/results/docview/docview.do?risb=21_T1621601684&format=GNBFI&sort=BOOLEAN&startDocNo=1&resultsUrlKey=29_T1621601687&cisb=22_T1621601686&treeMax=true&treeWidth=0&csi=138211&docNo=6

China is likely to oppose any statement by the G8 encouraging a devaluation of the Yuan.

Objective 4: Combating Piracy

The German Presidency has prioritised the protection of intellectual property and the fight against product piracy, under the heading of 'Growth and Responsibility in the Global Economy'.^{32 33} These issues are very much the concern of the developed world, while piracy is often predominantly carried out in emerging economies such as China.

As such, China is opposed to G8 attempts to crack down on piracy, and favours a gradualist approach.^{34 35} The lack of an agreed G8 approach to combating piracy would therefore represent success for China in this area.

Objective 5: Heiligendamm Process

China has not outlined a specific position on the development of an institutionalised process involving the O5. As outlined above, China has indicated its desire that the dialogue be conducted in a spirit of equality. The German Presidency has indicated that there is no short term prospect of expanding the G8 beyond its current membership, but it wishes to formalise the dialogue with the O5.

Given China's growing power in the international system, and its centrality to issues such as climate change and the stability of the global economy, it is probably true to say that the G8 needs China more than China needs the G8. Therefore, it is not clear that China will push strongly to institutionalise the links between the G8 and the O5.

Diarmuid Torney
G8 Research Group – Oxford

³² Focuses of the German G8 presidency, German G8 Presidency, (Berlin), 18 October 2006. Date of Access: 7 June 2007.

<http://www.g-8.de/Webs/G8/EN/G8Summit/Agenda/agenda.html>

³³ Germany: G8 - The Importance of the Global Economy, US Fed News, (Washington), 21 May 2007. Date of Access: 7 June 2007.

http://www.lexisnexis.com/uk/business/results/docview/docview.do?risb=21_T1622598892&format=GNBFI&sort=BOOLEAN&startDocNo=1&resultsUrlKey=29_T1622598895&cisb=22_T1622598894&treeMax=true&treeWidth=0&csi=282801&docNo=4

³⁴ China's president prepares climate change policy before President Hu's G-8 trip, International Herald Tribune, (Washington), 31 May 2007. Date of Access:

<http://www.iht.com/articles/ap/2007/05/31/asia/AS-GEN-China-G8.php>

³⁵ G8 not platform for exerting pressure, Government of the People's Republic of China, (Beijing), 4 June 2007. Date of Access: 7 June 2007. http://www.gov.cn/misc/2007-06/04/content_636224.htm

India

More will be made of what India does not allow in Heiligendamm, than the objectives it fulfils. On the big issue of climate change India will resist any talk of capping emissions, pointing the finger of blame and responsibility at the developed nations. Trade talks will focus on measures to accelerate investment in Africa, but there will be little progress in finding solutions to the ongoing obstacles facing the Doha round of trade talks. Prime Minister Singh will use the opportunity of bilateral talks with President Bush to press for future dates for continued negotiations over India's civilian nuclear energy programme. On African issues India will seek to emphasise its supportive role in the region, and its willingness to help. Finally, the Heiligendamm Process needs to be carefully balanced with calls for a separate alliance of the Outreach nations, and India's credibility among the developing nations.

Objective 1: Climate Change

Climate change will take centre stage at this year's meeting of the G8, and India, one of the world's leading polluters, has acknowledged its threat. Indeed the UN's Intergovernmental Panel on Climate Change (IPCC) report published in April has warned that India will suffer "acute water shortages, hunger and the continent's rivers running low."³⁶ However India will not take steps that would slow its economic growth.

Indian Foreign Secretary Shiv Shankar Menon says it is unfair to target India when the industrialised countries have created the problem of global warming. "I think what is important is that the burden of the incremental costs of doing additional steps must be shared fairly."³⁷ In line with this the Prime Minister told reporters shortly before leaving for Berlin that "I will emphasise the need not to lose sight of the fundamental and universally accepted principle of common but differentiated responsibility and respective capabilities between the developed and developing worlds."³⁸

India's primary concern is lifting its billion plus population out of poverty, and will not allow climate change limitations to hinder its economic advances. It has however offered that once their per capita emission levels reach the same as those of industrialised countries, they will be "very happy to do our share too."³⁹ In India there is still denial over the issue of emissions. The Union Budget for 2007 called for the formation of an expert committee on Climate Change, despite noting that "India is neither a significant contributor to greenhouse gas (GHG) emissions, nor will be in the foreseeable future."⁴⁰ This is despite predictions that India and China's combined output of harmful gasses will surpass that of the United States by 2015.⁴¹

³⁶ Climate change 'threat to Asia,' BBC Website, (London), 6 April 2007. Date of Access: 6 June 2007. http://news.bbc.co.uk/1/hi/world/south_asia/6532127.stm

³⁷ India, China under pressure at G8, BBC Website, (London), 6 June 2007. Date of Access: 6 June 2007.

http://news.bbc.co.uk/1/hi/world/south_asia/6725453.stm

³⁸ Singh to press for collective responsibility on Climate at G8 meet, DPA (Deutsche Presse-Agentur), (Berlin), Press Release, 6 June 2007.

³⁹ India, China under pressure at G8, BBC Website, (London) 6 June 2007. Date of Access: 6 June 2007.

http://news.bbc.co.uk/1/hi/world/south_asia/6725453.stm

⁴⁰ Committee Climate Change set up, The Hindu, (New Delhi), 11 May 2007. Date of Access: 7 June 2007.

<http://www.hindu.com/2007/06/04/stories/2007060402641100.htm>

⁴¹ Asia-Europe Meeting Serves to flesh out G8 Priorities, Deutsche Welle, (Bonn), 28 May 2007.

Matters came to a head at the eighth Asia-Europe meeting (ASEM) in the German port city of Hamburg on 29 May 2007, where the European Union demanded that both India and China reduce emissions. The Chinese and the Indian delegates fought off the pressure and India's Foreign Minister Pranab Mukherjee warned that attempts to secure uncompensated GHG abatement commitments from developing countries is not the way forward.⁴²

In this stance India is supported by Brazil. Last weekend saw talks in Delhi between Prime Minister Manmohan Singh and President Lula de Silva on how to deal with climate change. "We are willing to work in partnership in this process to cut emissions but we cannot accept equal responsibility (for the global mess caused by the industrialised nations)," an Indian official said following the meeting.⁴³

As a developing economy, India does not have legally binding GHG emissions reduction targets under the Kyoto Protocol. But, with the Protocol ending in 2012, a new global agreement is needed to curb emissions. Without the participation of countries such as India, China and the US any negotiations, let alone agreement, on climate change would leave us no further forward than Kyoto.

For the time being India can hide in the shadow of the United States. Given that the US will almost certainly block any of the host's ambitious proposals on climate change, India will not have to face the brunt of international pressure. However, a successor to the Kyoto Protocol is unavoidable. China and India will have to be involved in the next round of negotiations likely to be held in Bali, Indonesia, in December.⁴⁴ On this issue therefore India does not expect progress at Heiligendamm.

Objective 2: Trade Talks

An International economic report by Goldman Sachs claims that the Chinese economy definitely, and the Indian economy possibly, will overtake that of the United States quite soon.⁴⁵ The importance of India and China's contributions to the trade negotiations at the G8 therefore cannot be underestimated. The official agenda for Heiligendamm does not include trade talks with the Outreach 5 (O5); however, the issue will no doubt feature heavily in corridor discussions.

India is an outspoken member of the G20, the organisation that emerged during the failed World Trade Organisation ministerial conference at Cancun in 2003. The talks collapsed over demands, so far unfulfilled, that the EU and United States

⁴² G8 Welcomes five strongest developing countries at their G8 Summit, IPS, (Latin America), 4 June 2007. Date of Access: 6 June 2007.

http://www.lexisnexis.com/uk/business/results/docview/docview.do?risb=21_T1613075823&format=GNBFI&sort=BOOLEAN&startDocNo=26&resultsUrlKey=29_T1613075826&cisb=22_T1613075825&treeMax=true&treeWidth=0&csi=259273&docNo=44);

⁴³ India in blow to G8 hopes on climate, The Australian, (Sydney), 5 June 2007, Date of Access: 6 June 2007.

http://www.lexisnexis.com/uk/business/results/docview/docview.do?risb=21_T1613030161&format=GNBFI&sort=BOOLEAN&startDocNo=1&resultsUrlKey=29_T1613030164&cisb=22_T1613030163&treeMax=true&treeWidth=0&csi=244777&docNo=4);

⁴⁴ G8 Welcomes five strongest developing countries at their G8 Summit, IPS, (Latin America), 4 June 2007. Date of Access: 6 June 2007.

http://www.lexisnexis.com/uk/business/results/docview/docview.do?risb=21_T1613075823&format=GNBFI&sort=BOOLEAN&startDocNo=26&resultsUrlKey=29_T1613075826&cisb=22_T1613075825&treeMax=true&treeWidth=0&csi=259273&docNo=44);

⁴⁵ G8 cannot afford to ignore emerging economies, Agence France Presse, (Paris), 5 June 2007. Date of Access: 6 June 2007.

http://www.lexisnexis.com/uk/business/results/listview/listview.do?risb=21_T1624805891&startDocNo=1&sort=null&format=GNBEXLIST&BCT=G1

must reduce subsidies to farmers. We can expect this issue to be raised therefore.

On 19 May, at a summit preparatory meeting of the G8 Finance Ministers, in Potsdam, the delegates issued a joint declaration, in which they expressed their support for the development of a 'charter for responsible lending' and seek to involve other interested parties, including the G20.⁴⁶

The G8, particularly the United States, is uneasy about Asia's growing investment, trade and financial ties with Africa.⁴⁷ Asian investments in Africa are sharply focused on energy and mining; so much so that the UN Conference on Trade and Development called for a diversification of Foreign Direct Investment (FDI) in other sectors of African business and the economy.⁴⁸ Indeed there are signs of diversification; Mr. Rajan Kohli, Deputy Secretary General of The Federation of Indian Chambers of Commerce and Industry, said in January that "India is diversifying into a broad spectrum of sectors ranging from apparel to fisheries and tourism to telecommunications."⁴⁹

Many in India are concerned by what is seen as China 'steeling a march' on India with regard to investment and opportunities in Africa. Some regions of the continent like East Africa have large populations of citizens of Indian ancestry, and India has a much longer trading history with Africa. India however insists it is "not in a race for Africa's resources" with China, and points out there is so much scope for investment in Africa "there is plenty of room for everyone."⁵⁰ The impetus may come from India to push discussion on the elimination of India and China's escalating tariffs on Africa's leading exports and improved trade facilitation infrastructure will help strengthen trade between the regions. However without trade on the official O5 agenda, we can expect few firm decisions.

Progress may be made on the stalled Doha round of trade talks. "On the crucial issue of farm trade, Washington is under pressure to offer far deeper subsidy cuts. But it has made further moves conditional on countries such as India opening up their markets more to US agricultural goods, which New Delhi says would hurt millions of poor local farmers."⁵¹ India would also have to agree to cut duties on imports of industrial goods, something they are reluctant to do as it would harm their manufacturing sectors. So far none of the participants has outlined what measures they are prepared to offer in order to revive the process, and perhaps the Summit would offer opportunity to do so.

⁴⁶ G8 Welcomes five strongest developing countries at their G8 Summit, IPS, (Latin America), 4 June 2007. Date of Access: 6 June 2007.

http://www.lexisnexis.com/uk/business/results/docview/docview.do?risb=21_T1613075823&format=GNBFI&sort=BOOLEAN&startDocNo=26&resultsUrlKey=29_T1613075826&cisb=22_T1613075825&treeMax=true&treeWidth=0&csi=259273&docNo=44);

⁴⁷ G8 Welcomes five strongest developing countries at their G8 Summit, IPS, (Latin America), 4 June 2007. Date of Access: 6 June 2007.

http://www.lexisnexis.com/uk/business/results/docview/docview.do?risb=21_T1613075823&format=GNBFI&sort=BOOLEAN&startDocNo=26&resultsUrlKey=29_T1613075826&cisb=22_T1613075825&treeMax=true&treeWidth=0&csi=259273&docNo=44);

⁴⁸ China, India, help Asian investment in Africa surge, Agence France Presse, (Paris), 27 March 2007. Date of Access: 6 June 2007

http://www.lexisnexis.com/uk/business/results/listview/listview.do?risb=21_T1624859019&startDocNo=1&sort=null&format=GNBEXLIST&BCT=G1

⁴⁹ India, China have given Africa a second opportunity for trade growth says world bank book, The Hindustan Times, (New Delhi), 16 January 2007. Date of Access: 6 June 2007.

http://www.lexisnexis.com/uk/business/results/docview/docview.do?risb=21_T1624881814&format=GNBFI&sort=BOOLEAN&startDocNo=1&resultsUrlKey=29_T1624881817&cisb=22_T1624881816&treeMax=true&treeWidth=0&csi=282802&docNo=6

⁵⁰ India Plays down race for Africa's resources, Financial Times, (London), 7 June 2007.

⁵¹ India, U.S. see progress in delayed trade talks, The Boston Globe, (Boston), 16 May 2007

http://www.boston.com/news/world/asia/articles/2007/05/16/india_us_see_progress_in_delayed_trade_talks/

Objective 3: Nuclear Power Agreement

Indian Foreign Ministry officials also suggested that Prime Minister Singh would use the opportunity of face-to-face talks with President Bush to discuss the deadlock over their bilateral nuclear deal.⁵² Under the deal India would get access to US civilian nuclear technology, but would have to open its facilities to inspectors.

Recent talks between the Indian Foreign Minister Shiv Shankar Menon and US Undersecretary of State Nicholas Burns failed over India's insistence on the right to reprocess US-origin spent fuels and the possibility of further nuclear tests.⁵³

Without agenda time however the issue is not likely to be resolved. Both countries know that it is in their best interests to revive the talks, and the approaching elections in both states will ensure and hasten this. Realistically India can expect no more than affirmations of friendship and trust over this issue, and possibly a date for the talks to recommence.

Objective 4: African Agenda

While India has little international leverage on aid to Africa, its contribution to the region should not be forgotten. For example, in 2003 India donated 5000 metric tones of food to the government of Namibia, and in 2004 did the same for Lesotho and Chad. India recently wrote off all Mozambique's government-to-government debt.⁵⁴

India is also involved in peacekeeping operations in Africa. The 1,400 Indian military contingent is the largest component of the United Nations Mission in Ethiopia and Eritrea (UNMEE) and India also has over 3,000 troops in the Democratic Republic of Congo as part of United Nations Mission in the Democratic Republic of Congo (MONUC). India has considerable experience in de-mining activities and has made significant contributions to the recent de-mining work in various missions in Rwanda, Mozambique, Somalia and Angola.⁵⁵

In loans and banking India is also leading the way. Total operative LOCs extended to Sub-Saharan Africa by The Export-Import Bank of India (EIBI) is over USD 550 million. In May 2006 EIBI extended a USD 250 million Line of Credit (LOC) to the ECOWAS Bank for Investment and Development. The EIBI also signed USD 10 and USD 5 million LOCs with the West African Development Bank (BOAD) and the Eastern and Southern African Development Bank (PTA BANK) respectively. The EIBI has also signed dozens of LOCs with individual African countries, to finance Indian exports.⁵⁶

⁵² Singh to press for collective responsibility on Climate at G8 meet, DPA, (Deutsche Presse-Agentur), (Berlin), Press Release, 6 June 2007. Date of Access: 6 June 2007.

⁵³ US-India nuclear deal talks fail, BBC Website, (London), 3 June 2007. Date of Access: June 2007. http://news.bbc.co.uk/1/hi/world/south_asia/6715887.stm

⁵⁴ India And Africa - It's Old Friends, New Game And Rules, Africa News, , 9 February 2007. Date of Access: 5 June 2007.

[http://www.lexisnexis.com/uk/business/results/docview/docview.do?risb=21_T1618766484&format=GNBFI&sort=RELEVANCE&startDocNo=1&resultsUrlKey=29_T1618766487&cisb=22_T1618766486&treeMax=true&treeWidth=0&csi=8320&docNo=11'](http://www.lexisnexis.com/uk/business/results/docview/docview.do?risb=21_T1618766484&format=GNBFI&sort=RELEVANCE&startDocNo=1&resultsUrlKey=29_T1618766487&cisb=22_T1618766486&treeMax=true&treeWidth=0&csi=8320&docNo=11)

⁵⁵ Indian Embassy Website, Date of Access: 6 June 2007.

http://www.indianembassy.org/policy/Peace_Keeping/history_india_UN_peace_keeping.htm

⁵⁶ India And Africa - It's Old Friends, New Game And Rules, Africa News, 9 February 2007. Date of Access: 5 June 2007.

[http://www.lexisnexis.com/uk/business/results/docview/docview.do?risb=21_T1618766484&format=GNBFI&sort=RELEVANCE&startDocNo=1&resultsUrlKey=29_T1618766487&cisb=22_T1618766486&treeMax=true&treeWidth=0&csi=8320&docNo=11'](http://www.lexisnexis.com/uk/business/results/docview/docview.do?risb=21_T1618766484&format=GNBFI&sort=RELEVANCE&startDocNo=1&resultsUrlKey=29_T1618766487&cisb=22_T1618766486&treeMax=true&treeWidth=0&csi=8320&docNo=11)

India is unlikely to be officially involved with African development, but it is surely positioning itself as a competent and willing player.

Objective 5: The Heiligendamm Process

A key component of the German Presidency has been to push for a more formal association between the G8 and the O5. While Germany is against giving the five countries full G8 membership they want to set up formal talks at ministerial level between summits on issues including intellectual property rights, freedom of investment, energy and "managing the social implications of globalisation," according to a top German official quoted in the Financial Times. Under the German proposals the Organisation for Economic Co-operation and Development (OECD) would act as secretariat for the talks for a probationary two year period.⁵⁷ Japan will almost certainly block the full membership of China, despite its economic and climactic importance, as they are seen as regional rivals. Both Brazil and India object to the role of the OECD, they are worried that the proposals may negate their possible future OECD membership.

The O5 also fear greater proximity to the G8 could damage their reputation in standing up for the interests of other developing countries. India knows that it is unlikely to be offered a seat on the UN Security Council in the near future. As the emphasis for the G8 moved from the traditional 'club of industrialised nations' to 'the world's leading economies' the importance of having the O5 onboard will become apparent. While it is now unlikely that Japan will not invite the O5 to the talks next year, expect there to be little progress on this issue.

The status quo must be good for India; it can enjoy the new privileges of being a member of the exclusive G8 Club (albeit a reciprocal member) without having to pay the subscription fees or abide by the house rules. However on all fronts the current policy of inaction, or 'wait and see' is not sustainable in the long term. The world will require India to be part of future climate change initiatives, trade talk, and hopefully, retain a part in the G8 process. In India, questions have been raised over the "meaningless and demeaning ritual"⁵⁸ the leaders of the O5 undergo "in the hope that one day, the private club's doors would swing open to admit them too."⁵⁹ An alternative alliance has been suggested whereby Brazil, Russia, India, China and South Africa (BRICS), the countries likely be the largest economies in the world by 2050, realise a summit of their own for a more effective world order. But are the BRICS countries ready to take on the role of a renegade G8? According to The Hindu, the answer is clearly yes: "Brazil, India, and South Africa have already developed the IBSA forum. India also has begun to interact with China and Russia through the trilateral process and both India and China have active engagements with Africa."⁶⁰

India is not expecting, or asking, for too much from Heiligendamm. Time will inevitably drag India to the front of the world stage. But not this week.

Tim Myatt
G8 Research Group – Oxford

⁵⁷ Pressure on Berlin over emerging countries, Financial Times, (London), 4 June 2007.

⁵⁸ Forget the G8, it's time for a Brics summit, The Hindu, (New Delhi), 4 June 2007. Date of Access: 6 June 2007. <http://www.hindu.com/2007/06/04/stories/2007060402641100.htm>

⁵⁹ Forget the G8, it's time for a Brics summit, The Hindu, (New Delhi), 4 June 2007. Date of Access: 6 June 2007. <http://www.hindu.com/2007/06/04/stories/2007060402641100.htm>

⁶⁰ Forget the G8, it's time for a Brics summit, The Hindu, (New Delhi), 4 June 2007. Date of Access: 6 June 2007. <http://www.hindu.com/2007/06/04/stories/2007060402641100.htm>

Mexico

Mexico is invited to the G8 Heiligendamm Summit as an Outreach 5 (O5) country, together with Brazil, China, India and South Africa. President Calderon's general priority issues at the Summit will likely be trade and climate; however, he will also seek to strengthen ties with rich countries and smooth relations with China and Brazil.⁶¹ It is important to note that while Brazilian President Lula has recently projected his country's economic and political power abroad, Calderon has taken a more subdued approach. Mexico is near the bottom of the political and economic hierarchy of the O5 countries and might fear that speaking out on global issues would highlight this fact to the world, potentially jeopardizing its membership in the club. This fact might help explain why the country has been relatively absent in the press as of late. Mexico's four main objectives at the Summit will be trade, climate change, security, and the Heiligendamm Process.

Objective 1: Trade

Mexico benefits from North American Free Trade Agreement (NAFTA) membership as well as a free trade agreement with the EU (signed in 2000). However, China has recently surpassed the country as the US's second most important supplier, after Canada.⁶² In addition, the market share of Chinese goods is increasing in rich countries; therefore, Calderon will likely attempt to secure a stronger trade relationship with China and the G8 in Heiligendamm.

With respect to the Doha Development Round of trade negotiations, Mexico is hoping that the Summit will serve as a political push for progress. The President will strive to kickstart Doha round in Heiligendamm in order to give the issue momentum for subsequent negotiations.

A successful outcome on trade for Mexico will mainly be determined in bilateral talks with G8 leaders where there will be scope to discuss the issue in detail. However, the roundtable talks may prove successful in promoting a hasty conclusion to the Doha round.

Objective 2: Climate Change

During the last year Mexico has remained relatively active at both national and international discussions of climate change, hosting and attending a number of meetings. In 2007, Mexico's Interministerial Commission on Climate Change (ICCC) published a "National Climate Change Strategy"⁶³ which outlines plans to deal with greenhouse gas (GHG) emissions, and to build national capacity for adaptation in areas of vulnerability.

Mexico recently broke ranks with Brazil over international climate policy. Whereas the Brazilian leader has denounced US President Bush's proposal for an alternative voluntary framework for the top 15 emitters, the Mexican Environment Secretary has welcomed the US initiative and claims that the government will support it.⁶⁴ At the same time, Mexico will likely call on G8 countries to take greater action. It can also be expected to look for support to invest in renewable energy and improved energy efficiency, potentially through

⁶¹ Despite differences Mexico comfortable as a G5 emerging power, IPS Latin America, (Mexico City), 5 June 2007. Date of Access: 7 June 2007. <http://www.ipsnews.net/news.asp?idnews=38056>

⁶² Despite differences Mexico comfortable as a G5 emerging power, IPS Latin America, (Mexico City), 5 June 2007. Date of Access: 7 June 2007. <http://www.ipsnews.net/news.asp?idnews=38056>

⁶³ Comision Intersecretaria de Cambio Climatico, 25 May 2007. Date of Access: 27 May 2007. http://www.semarnat.gob.mx/Documents/Estrat_nal_Sintesis.pdf

⁶⁴ Despite differences Mexico comfortable as a G5 emerging power, IPS Latin America, (Mexico City), 5 June 2007. Date of Access: 7 June 2007. <http://www.ipsnews.net/news.asp?idnews=38056>

public-private partnerships. In January 2007, in a joint declaration between the UK and Mexico, President Calderon expressed a desire to share technology and solutions: "The UK and Mexico are facing many similar energy challenges, such as the development of renewable energy technologies, increasing efficiency and reducing carbon emissions through increasing efficiency, methane recovery and sustainable housing and transportation, among others. We will continue to share expertise and experience, particularly in the context of United Nations Framework Convention on Climate Change and in joint co-operation projects."

In a press conference with Chancellor Merkel on 6 June, President Bush stressed energy independence as a key area for discussion. Mexico will be interested in participating in dialogue on this topic, particularly in relation to ethanol, as Mexico recently saw the creation of a bioenergy bill allowing for the production of ethanol in the country.⁶⁵

A successful Summit outcome on climate change for Mexico would involve a renewed commitment by G8 leaders to accept increased responsibility for cleaning up the atmosphere and measures for adaptation to the impacts of warming. Furthermore, Mexico will not be satisfied unless it is included in ethanol discussions or agreements with Brazil, as the two countries are Latin America's major ethanol producers.

Objective 3: Security

Prior to the G8 Summit, Calderon toured Europe with the purpose of reviewing and learning from European security measures. One of Calderon's priorities is to tackle Mexico's organized crime. In the Mexican National Development Plan, he acknowledges that Mexicans expect their state to provide better security and pledges that at least 70% of crimes would be prosecuted and punished by 2012.⁶⁶ Calderon discussed drug trafficking with Pope Benedict XVI, afterwards announcing publicly that he will raise the issue at the G8 Meeting⁶⁷. Mexico will probably look for support on this topic from the G8 countries, particularly the US. Calderon will be successful if drug trafficking is included in peace and security discussions in Heiligendamm. Success will also depend on whether or not promises of support, financial or otherwise, are made.

Objective 4: Heiligendamm Process

Mexico will be keen to continue to play an active role in world discussions and ensure that the country is not dropped from the O5. Mexico's inclusion in this club can not be taken for granted, as on the basis of purchasing power parity Mexico's economy is ranked 15th in the world. One observer comments,

There is a general consensus concerning the regional and global role of China, India, and Brazil. South Africa gets the nod because of its active global-governance policy...although there are major reservations on the continent of Africa concerning South Africa's claim to a leading role. Mexico's claims are less obvious. Presumably US interests come into play here: the USA wishes to provide its neighbour with a leading

⁶⁵ Incluyen al maíz en ley sobre etanol, Nuevo Excelsior, 26 April 2007. Date of Access: 26 April 2007. http://www.nuevoexcelsior.com.mx/27_1952.htm

⁶⁶ Luis Carlos Nino, President Seeks European Expertise to Improve Mexico's Security, Global Insight Daily Analysis, 1 June, 2007. Date of Access: 6 June 2007. http://www.lexisnexis.com/uk/business/results/docview/docview.do?risb=21_T1613075823&format=GNBF1&sort=BOOLEAN&startDocNo=51&resultsUrlKey=29_T1613075826&cisb=22_T1613075825&treeMax=true&treeWidth=0&csi=138211&docNo=63

⁶⁷ Mexican president discusses G-8 issues with pope, Associated Press Worldstream, 4 June 2007. Date of Access: 7 June 2007.

position in the global hierarchy. Having said that, by virtue of its OECD and NAFTA membership Mexico is suitable for a bridging role between North and South and in addition has strategic significance as a major oil exporter.⁶⁸

It is likely that Japan may downplay the role of the O5 group in Hokkaido in 2008; therefore, in order to secure its place on the world stage, Mexico will seek to reaffirm its friendship with the US and also strengthen ties, in trade and otherwise, with the EU.

Mexico may also seek to formalize ties with the G8. In this regard, Mexico is likely to support Merkel's proposal for the G8 + O5 having a unique relationship as outlined in the Heiligendamm Process. It will probably seek to be included in regular meetings between summits, and may even support the creation of a secretariat at the OECD to manage G8 + O5 contacts. India and Brazil currently renounce this idea as another elitist Western club. Everton Vargas, a political secretary in Brazil's Foreign Ministry, says the issues raised by the G8 "are certainly of interest," but whether the OECD should play a role "is still a matter of negotiation."⁶⁹ Nevertheless, Mexico is already part of NAFTA and the OECD, and will probably consider a G8 + O5 based at the OECD as a strategic advantage.

Zinta Zommers & Carlos Sayao
G8 Research Group – Oxford

⁶⁸ Thomas Fues, *Global Governance Beyond the G8: Reform Prospects for the Summit Architecture*, *Internationale Politik und Gesellschaft*, February 2007, 11-24.

⁶⁹ Williamson, H. Great powers present and future try to keep it casual. *Financial Times* (London), 4 June 2007. Date of Access: 6 June 2007.

http://www.lexisnexis.com/uk/business/results/docview/docview.do?risb=21_T1613075823&format=GNBFI&sort=BOOLEAN&startDocNo=26&resultsUrlKey=29_T1613075826&cisb=22_T1613075825&treeMax=true&treeWidth=0&csi=293847&docNo=36

South Africa

South Africa has taken serious steps to strengthen its democracy and leadership position in Africa. It has emerged as a major regional player, and has therefore been invited to G8 Summits for the past seven years. It will play a crucial role in Summit discussions on Africa, poverty, debt and aid, HIV and malaria.

South Africa is a middle-income, emerging market with an abundant supply of natural resources. It has well-developed financial, legal, communications, energy, and transport sectors; and a stock exchange that ranks among the 10 largest in the world. GDP (purchasing power parity) is currently USD 576.4 billion, with a growth rate estimated at 4.5% for 2006. The International Monetary Fund (IMF) has recently given the South African economy a "thumbs-up."⁷⁰ Nevertheless, unemployment remains high and the country is challenged by daunting economic problems from the apartheid era. South Africa will look to the G8 countries to help remedy some of these issues.

Prior to the G8 meeting, President Mbeki met with Prime Minister Blair, during Blair's recent visit to Africa. The two leaders consulted about how to press the other G8 leaders at Heiligendamm to do more. At a joint press conference with Blair after their meeting, Mbeki said the G8 needed to keep its promises at Heiligendamm. However, he was vague when asked about his precise expectations.⁷¹

Objective 1: Confirmation of Gleneagles Aid Commitments and Increase in Aid

South Africa will seek to ensure that G8 leaders reaffirm commitments made at Gleneagles in 2005, but it will also strive for new promises. Mbeki recently commented, "The next G8 meeting will provide us with a chance to look at what has been done since Gleneagles and what still needs to be done to achieve the set commitments...We need to see further movement."⁷²

Expectations are high. Prior to the Summit a variety of calls for action were made, and numerous commitments were forthcoming: 1. The head of the OECD called on G8 countries to triple aid to Africa by 2010⁷³; 2. Merkel promised to rise German aid spending by EUR 750 million (USD 1 billion) in 2008⁷⁴; 3. China has announced a USD 20 billion programme of economic support for Africa.⁷⁵

However scepticism remains as to whether real progress will be made at the Summit. Oxfam has criticized the German government for neglecting aid in favour

⁷⁰ From St. Petersburg to Heiligendamm: the continued Involvement of the Outreach Five. G8 Research Group, Civil Society and Expanded Dialogue Unit, (Toronto), June 2007. Date of Access: 6 June 2007. <http://www.g7.utoronto.ca/>.

⁷¹ Mbeki's long engagement with the G8 may at last be bearing fruit, BBC Monitoring Africa, 4 June 2007. Date of Access: 6 June 2007. http://www.lexisnexis.com/uk/business/results/docview/docview.do?risb=21_T1613075823&format=GNBFI&sort=BOOLEAN&startDocNo=26&resultsUrlKey=29_T1613075826&cisb=22_T1613075825&treeMax=true&treeWidth=0&csi=312415&docNo=31

⁷² Mbeki, Blair to Urge G8 to Reaffirm Development Commitments, All Africa, 2 June 2007. Date of Access: 6 June 2007.

⁷³ OECD head calls on G8 to triple aid to Africa, Agence France Presse, (Paris), 5 June 2007. Date of Access: 6 June 2007.

http://www.lexisnexis.com/uk/business/results/docview/docview.do?risb=21_T1613075823&format=GNBFI&sort=BOOLEAN&startDocNo=76&resultsUrlKey=29_T1613075826&cisb=22_T1613075825&treeMax=true&treeWidth=0&csi=230184&docNo=79

⁷⁴ Germany to Hike Development Aid Ahead of G8 Summit, Duetsche Welle, (Bonn), 1 June 2007. Date of Access: 6 June 2007.

⁷⁵ Rozenburg, G. G8 Critical of China's \$20bn loan package for Africa, The Times, (London), 21 May 2007.

of advancing discussion on climate change.⁷⁶ One South African newspaper, Cape Argus, wrote: "Do not expect it all to happen in Germany this coming week either. But do expect that Africa's cause will again be advanced. If so, Blair will deserve a lot of credit."⁷⁷

Indeed, South Africa will likely find support from the United Kingdom, which considers Gleneagles "a benchmark for action" and wants to ensure commitments are met. The UK will seek to reaffirm Gleneagles commitments to Africa, and agree to specific commitments on education and HIV. The UK has already indicated that planned communiques which will be placed before leaders are too vague and filled with pious aspirations.⁷⁸

Aid is unlikely to be unconditional. Merkel has already stated that Germany will be looking for "partners who are equal in standing, with rights, but also with duties."⁷⁹ G8 ministers are keen to boost transparency of aid and administration of public funds. Western powers fear that China may be lending money too freely to the continent.⁸⁰ Many expect a "Rule of Law" statement to be developed as a result of these concerns. G8 Finance ministers have already expressed support for the UK-led Extractive Industries Transparency Initiative, which requires governments to declare their receipts and royalty payments from natural resource companies, and demands that these companies declare how much they pay governments.⁸¹

Mbeki may support these initiatives. South Africa has participated in the African Peer Review Mechanism, and stands to gain from such transparency clauses. Mbeki can be expected to reaffirm Africa's commitment to improving governance as promised by the New Partnership for Africa's Development. Between 1998 and 2002, only 20% of Chinese investment in Africa took place in South Africa.⁸² South Africa would therefore not risk losing significant funding if transparency or Rule of Law statements were approved.

Objective 2: HIV/AIDS Programs

While Mbeki has been criticized for controversial views on HIV, South Africa will nevertheless look for funding and support to help tackle HIV/AIDS and other diseases. In July 2006 the South African government publicly supported the Global Fund to Fight AIDS, Tuberculosis & Malaria ('The Global Fund'). Currently, South Africa finances 90% of its comprehensive HIV and AIDS plan through domestic funding.⁸³ It will certainly look for support to help combat infectious diseases. Bush has already announced that the US plans to spend USD 30 billion over five years in Africa and elsewhere to combat HIV/AIDS.⁸⁴ European Commission President Jose Manuel Barroso announced that the European Commission will contribute a further EUR 100 million to the Global Fund in 2007

⁷⁶ Oxfam urges G8 leaders to consider promises on Africa, Xinhua News Agency, (Beijing), 31 May 2007.

⁷⁷ Pushing Africa's cause, Editorial, Cape Argus, 3 June 2007. Date of Access: 6 June 2007.

⁷⁸ Blair, D. We have moral duty to help Africa, says Blair, The Daily Telegraph, (London), 1 June 2007.

⁷⁹ Germany to Hike Development Aid Ahead of G8 Summit, Duetsche Welle, (Bonn), 1 June 2007.

⁸⁰ G8 nations under fire for failing to meet aid pledge, Agence France Presse, (Paris), 2 June 2007.

⁸¹ Moore, M. G8 finance officials stress aid for Africa, The Oakland Tribune, Associated Press, 20 May 2007.

⁸² Africa in the World Economy – The National, Regional and International Challenges, Fondad, The Hague, December 2005. Date of Access: 7 June 2007.

<http://www.fondad.org/publications/africaworld/Fondad-AfricaWorld-Chapter16.pdf>

⁸³ Statement by the Ministry of Health, (Pretoria), 4 July 2006. Date of Access: 4th January 2007.

<http://www.info.gov.za/speeches/2006/06070414151002.htm>

⁸⁴ MacAskill, E. US to spend extra \$30bn to fight HIV/Aids pledges Bush: Washington becomes campaign's biggest backer Critics praise president's commitment to fight, Guardian, (London), 31 May 2007.

and some EUR 300 million will be made available in 2008-2010. Mbeki will be successful if more commitments from other countries are forthcoming.

Objective 3: Trade Negotiations

South Africa will likely look for advances in trade, particularly in relation to the Doha round. An issue of importance to Africa is the need for G8 countries to reduce agricultural subsidies.⁸⁵ In the past South Africa has sought the elimination of agricultural subsidies, reductions of import duties and increases in the size of market access. South Africa will likely continue to lobby for these issues. While there is no mandate to specifically negotiate the Doha round at the Summit, diplomacy will have been successful if negotiations receive a political boost or expressions of support.

At the same time, Mbeki may try to strengthen trade between specific nations. He will be eager to bolster US investment, and reassure Americans over their concerns regarding China's role in Africa. US President George Bush recently announced a new project, the Africa Financial Sector Initiative that will see the US provide technical assistance to help African nations strengthen their financial markets. New equity funds will mobilise up to USD 1 billion of additional private investment in Africa.⁸⁶ South Africa is increasingly seen as a lucrative market for overseas vehicle manufacturers and much of that is due to sound industrial policies to attract automotive investment. Ford, DaimlerChrysler, GM, Toyota, Volkswagen and others have significant investments in the country. However concerns have been raised over increasing Chinese investment in South Africa. South Africa's Business Day newspaper recently reported that China has overtaken the United Kingdom to become Africa's third largest trading partner, after the United States and France.⁸⁷

Objective 4: Heiligendamm Process

South Africa has played an active and growing regional and international role. In January 2007, it assumed a non-permanent seat on the UN Security Council.⁸⁸ South Africa likely welcomes the opportunity to work with the G8. Spokesman Ronnie Mamoepa has that stressed one of South Africa's priorities at Heiligendamm will be to strengthen relations with the G8. One point of controversy remains the presence of South Africa as the sole African member of Outreach 5 (O5). Nigeria and Egypt have also openly vied to represent Africa on the world stage. However, it is unclear whether or not Mbeki will support Merkel's Heiligendamm Process. South Africa has also pushed for reform of international organizations such as the IMF. Like other O5 countries, South Africa may fear greater proximity to the G8 could damage the country's reputation in standing up for the interests of other developing nations.⁸⁹

Objective 5: Assistance with Climate Change Mitigation and Adaptation

South Africa can be expected to press world leaders to do more to combat climate change. Africa is ill prepared to deal with, and is vulnerable to, the negative consequences of rising temperatures. South Africa will likely use climate discussions to demand more aid to help adapt to changing climate.

⁸⁵ Bodoy, J. Germany: G8 leaders appear loath to discuss farm subsidies, Inter Press Service, 31 May 2007.

⁸⁶ Kisambira, E., U.S. to Boost Africa's Financial Markets, East African Business Week, 5 June 2007.

⁸⁷ Gourlay, P. South Africa offers a gateway to Africa for U.S. manufacturers, Manufacturing Today, 1 January 2007, Pg. 8(2) Vol. 7 No. 1.

⁸⁸ Statement by the Department of Foreign Affairs (Pretoria), 2 January 2007. Date of Access: 5 January 2007. <http://www.info.gov.za/speeches/2007/07010308151001.htm>.

⁸⁹ Pressure on Berlin over emerging countries, Financial Times, (London), 4 June 2007.

South Africa may also call for greater action by India and China. As the Cape Times urged:

Globally there seems to be a growing sense of urgency about climate change and the need to do something about it. But there is still little urgency about action to reduce the greenhouse gases contributing to climate change. There are those making an earnest effort, and in this regard the members of the EU must be singled out for special mention. But as long as the US and, increasingly, the burgeoning economies of China and India, among others, keep spewing out vast amounts of carbon dioxide and other harmful gases, the danger will mount.⁹⁰

However, South Africa is likely to resist calls for it to impose emissions targets. In the past, South Africa has agreed to work to reduce greenhouse gas emissions but has also made it clear that it will only pursue policies that are practical, affordable and consistent with development paths.⁹¹

Objective 6: Support for Darfur

As Africa's only representative, South Africa will be interested in participating in discussions over Darfur. Prior to the Summit, Bush announced new economic sanctions against Sudan in response to the crisis in Darfur.⁹² French Foreign Minister Bernard Kouchner has also proposed a "humanitarian corridor" for Darfur, an idea which has not received great support. Kouchner is planning a conference on Darfur in Paris on 25 June 2007. South Africa will want to be among a new "contact group" invited to the discussion.⁹³ Mbeki has sought to bolster African Union (AU) peacekeeping in the past. He will probably seek greater support for the AU force in Darfur.

Zinta Zommers
G8 Research Group – Oxford

⁹⁰ BBC Monitoring quotes from the African Press, BBC Monitoring International Reports, June 5 2007. Date of Access: 6 June 2007.

http://www.lexisnexis.com/uk/business/results/docview/docview.do?risb=21_T1613030161&format=GNBFI&sort=BOOLEAN&startDocNo=1&resultsUrlKey=29_T1613030164&cisb=22_T1613030163&treeMax=true&treeWidth=0&csi=227171&docNo=5

⁹¹ From Gleneagles to St. Petersburg: the continued involvement of the G5, G8 Research Group, Civil Society and Expanded Dialogue Unit, July 2006.

⁹² Crutsinger, M. A look at the strategies G-8 leaders will be pursuing at summit in Germany, Associated Press Worldstream, 5 June 2007.

⁹³ France's foreign minister Kouchner eases off humanitarian corridor plan for Darfur, Associated Press Worldstream, 6 June 2007.