



G8 Research Group

## **G8 Country Analysis Part I: Objectives and Data Reports**

**G8 members' objectives at the 2007 Heiligendamm Summit**

**June 2007**

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## **About the G8 Country Analysis and the Objectives and Data Reports**

The **first part** of the **G8 Country Analysis** consists of nine **Objectives and Data Reports**, one for each of the G8 members—Canada, France, Germany, Italy, Japan, Russia, the United Kingdom, the United States, and the European Union. These reports, written by selected analysts of the G8 Research Group, are designed to ascertain the importance of the G8 to each country's foreign policy, national priorities, and concept of international order.

Each country report includes an analytical assessment of what the top objectives/priorities will be for the country at the summit given available evidence (public statements by government officials, policies enacted, information shared by G8 sherpas, campaign promises, etc), and what actions and statements we can generally expect from each leader.

In addition to providing background information on each objective, each analyst is required to predict their country's likelihood of achieving their objectives, and what success might entail. In considering the likelihood of success, analysts are asked to consider the different foreign policy positions of other G8 countries, the current policy debates on the matter, and the relevance of each objective to the priorities of the G8 presidency.

Each report also provides political, economic and social overviews of the country, as well as a list of the key players that will most likely be present at the summit, or have been involved in related discussions.

For the **second part** of the G8 Country Analysis, analysts follow national press conferences, media releases issued by government officials, individual statements made by the G8 leaders, as well as summit communiqués to assess whether each country has achieved its objectives. This collection of assessment reports will be produced and released at the end of the summit.

Responsibility for the contents of these reports lies exclusively with the authors.

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# Canada

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## Political Data

Prime Minister	Rt. Hon. Stephen HARPER
Minister of Finance	Jim FLAHERTY
Minister of Foreign Affairs	Peter MACKAY
Minister of International Trade	David EMERSON
Minister of Defence	Gordon O'CONNOR
Minister of International Cooperation	Josee VERNER
Minister of Environment	John BAIRD
Minister of Health	Tony CLEMENT
Minister of Justice	Rob NICHOLSON
Minister of Labour	Claudette BRADSHAW
Central Bank Governor	David DODGE
G8 Sherpa	David MULRONEY

## Governmental Structure

Canada is a constitutional monarchy with a bicameral federal parliament; the House of Commons is democratically elected and the Prime Minister, in turn, appoints the Senate. The House of Commons (or lower house) is made up of 307 members elected from individual constituencies or ridings. The Senate (or the upper house) is composed of 112 appointed members. Canada's electoral system is based on universal suffrage for all citizens over the age of 18. The main political parties are the Conservative Party of Canada, the Liberal Party of Canada, the New Democratic Party (NDP), and the Bloc Quebecois.<sup>1</sup>

## Composition of Parliament

125 Conservative Party Members: Prime Minister Stephen Harper  
100 Liberal Party Members: Stephane Dion  
49 Bloc Quebecois Members: Gilles Duceppe  
29 New Democratic Party Members: Hon. Jack Layton  
3 Independent Members: Andre Arthur, Joe Comuzzi, and Louise Thibault  
Most recent federal election: 23 January 2006

## Economic Data

GDP (PPP, 2006 est.)	CAD 1.165 trillion
GDP per capita (PPP, 2006)	CAD 35,200
GDP real growth rate (2006 est.)	2.8%
Unemployment rate (2006 est.)	6.4%
Exchange Rate (Canadian dollars per US dollar, 2006)	CAD 1.089
Foreign Aid (ODA, 2005)	CAD 3.7 billion
Export Value (2006 est.)	CAD 405 billion
Import Value (2006 est.)	CAD 353.2 billion

## Main Imports

Machinery and equipment, motor vehicles and parts, crude oil, chemicals, electricity, durable consumer goods.<sup>2</sup>

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<sup>1</sup> Canada, Country Data and Objectives Report 2006 St. Petersburg Summit, G8 Research Group, (Toronto), August 2006. Date of Access: May 2007. <http://www.g8.utoronto.ca/evaluations/2006stpetersburg/2006-country-objectives.pdf>.

<sup>2</sup> CIA World Factbook, Central Intelligence Agency (Washington) 10 May 2007. Date of Access: 14 May 2007. <https://www.cia.gov/library/publications/the-world-factbook/geos/ca.html#Govt>.

### **Main Exports**

Motor vehicles and parts, industrial machinery, aircraft, telecommunications equipment, chemicals, plastics, fertilizers, wood pulp, timber, crude petroleum, natural gas, electricity, aluminum.<sup>3</sup>

### **Major Trading Partners (2005)**

Exports: US (84.2%), Japan (2.1%), UK (1.8%)

Imports: US (56.7%), China (7.8%), Mexico (3.8%)<sup>4</sup>

### **Background**

23 January 2007 marked Prime Minister Stephen Harper and his Conservative government's first full year in power as Canada's minority ruling government.<sup>5</sup> Despite the Conservatives' relative disadvantage in operating as a minority government, the government has made significant strides on several domestic policy issues in the past year. Some notable achievements include a reduction in the Government Sales Tax (GST), the creation of universal childcare benefits,<sup>6</sup> and the successful attainment of fiscal balance in the 2007 national budget.<sup>7</sup> In response to the previous Liberal leadership's financial scandal, the government instituted a strong anti-corruption act to increase governmental financial accountability. Harper also ended the enduring softwood lumber conflict with the United States, Canada's largest trading partner, thereby proving his ability to honour commitments made to voters during election campaigns.<sup>8</sup> Harper has expanded defense spending to maintain the sovereignty of Canada's Arctic and committed to maintaining an 8% yearly increase in official development assistance (ODA) as promised by former Prime Minister Paul Martin.<sup>9</sup>

Despite the loss of one member to Independent status, the Conservative Party has established its political strength through the attainment of two new party members. These members crossed the floor from the Liberal opposition to grant the leading Conservative Party more seats.<sup>10</sup> The party with the second highest number of seats, the Liberal Party, lost three members (two to the Conservative Party and one to Independence), which weakened the Conservative Party's main opposition.<sup>11</sup> Though another election has not yet been called, the election of Liberal Party leader Stéphane Dion and the Conservative Party's subsequent release of ad campaigns targeting Dion's efficacy have fuelled speculation over the possibility of an upcoming election.<sup>12</sup>

Despite previous achievements, the Conservative government has found the passage of bills in the House extremely difficult. It is the left-leaning New Democratic Party that currently holds the

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<sup>3</sup> CIA World Factbook, Central Intelligence Agency (Washington) 10 May 2007. Date of Access: 14 May 2007. <https://www.cia.gov/library/publications/the-world-factbook/geos/ca.html#Govt>.

<sup>4</sup> CIA World Factbook, Central Intelligence Agency (Washington) 10 May 2007. Date of Access: 14 May 2007. <https://www.cia.gov/library/publications/the-world-factbook/geos/ca.html#Govt>.

<sup>5</sup> Harper government celebrates one-year anniversary, CBC News, (Ottawa), 23 January 2007. Date of Access: 13 May 2007 <http://www.cbc.ca/canada/story/2007/01/23/harper-anniversary.html>.

<sup>6</sup> Harper government celebrates one-year anniversary, CBC News, (Ottawa), 23 January 2007. Date of Access: 13 May 2007 <http://www.cbc.ca/canada/story/2007/01/23/harper-anniversary.html>.

<sup>7</sup> Budget 2007, Restoring fiscal balance for a stronger federation, Department of Finance Canada, (Ottawa), 19 March 2007. Date of Access: 15 May 2007. <http://www.cbc.ca/news/background/budget2007/docs/themes/parfbse.html>.

<sup>8</sup> Harper government celebrates one-year anniversary, CBC News, (Ottawa), 23 January 2007. Date of Access: 13 May 2007. <http://www.cbc.ca/canada/story/2007/01/23/harper-anniversary.html>.

<sup>9</sup> John Kirton, Harper's foreign policy success? Address to the Canadian Institute for International Affairs Toronto Branch at Gowling Lafleur Henderson LLP, (Toronto), 28 November 2006. Date of Access: 15 May 2007. <http://www.g8.utoronto.ca/scholar/kirton2006/kirton-harper-fp.pdf>.

<sup>10</sup> Harper government celebrates one-year anniversary, CBC News, (Ottawa), 23 January 2007. Date of Access: 13 May 2007. <http://www.cbc.ca/canada/story/2007/01/23/harper-anniversary.html>.

<sup>11</sup> Harper government celebrates one-year anniversary, CBC News, (Ottawa), 23 January 2007. Date of Access: 13 May 2007. <http://www.cbc.ca/canada/story/2007/01/23/harper-anniversary.html>.

<sup>12</sup> Dion readies party for election call, CBC News, (Ottawa), 14 December 2006. Date of Access: 15 May 2007. <http://www.cbc.ca/canada/story/2006/12/14/dion-liberal.html>.

current balance of power.<sup>13</sup> Climate change has recently emerged as the most contentious and divisive topic within the House of Commons, as new legislation proposed by the Conservatives has been stalled due to disagreements between political parties.<sup>14</sup>

Harper is likely to attend his second G8 Summit with a greater diplomatic ease, due to experience, and with an attendant caution to the platforms of competing domestic parties. Harper's summit agenda will align closely with the German G8 Presidency's climate change and African development objectives. As part of promoting Africa's economy, Canada's 2007 budget focused on more and better international developmental assistance. In addition, Harper is likely to support international initiatives to combat HIV/AIDS through such avenues as the Global Fund to Fight AIDS, Tuberculosis, and Malaria.

## **Summit Objectives**

### ***Objective 1: Climate Change***

Concerns over climate change have topped both international and domestic political agendas in the latter part of 2006 and into 2007. As such, at the upcoming G8 Summit, Canada will likely seek to gain support for its position on the issue, while ensuring domestic political support.

At the 15-17 March 2007 meeting of G8 Environmental Ministers, the group agreed on the scientific validity of climate change statistics as presented by the United Nations Framework Convention on Climate Change (UNFCCC).<sup>15</sup> G8 Environment Ministers pledged to devote political and financial attention to the topic and reaffirmed support for developing nations in order to ensure that the developing world does not "repeat the mistakes in the development of industrialized countries."<sup>16</sup> Discussions at the upcoming summit, however, will transpire within a heavily polarized political environment due to deep divides between European Union (EU) member states and the United States (US).

Representing the firm commitment of many EU member states to strict climate change controls, German Chancellor Angela Merkel is slated to table an "ambitious energy-related agenda" at the upcoming Heiligendamm Summit<sup>17</sup> with the support of British Prime Minister Tony Blair.<sup>18</sup> This is projected to include an agreement towards a 50% reduction of greenhouse gas emissions of 1990 levels by the year 2050 and a 20% increase in energy efficiency by the year 2020 in extension of the upcoming 2012 Kyoto Protocol deadline.<sup>19</sup> In concert, Japan has also committed to take the lead in extending the Kyoto Protocol beyond its 2012 deadline.<sup>20</sup>

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<sup>13</sup> The 39<sup>th</sup> Parliament, Harper at the helm, CBC News, (Ottawa), 6 February 2007. Date of Access: 15 May 2007. <http://www.cbc.ca/news/background/parliament39/>.

<sup>14</sup> Combating global warming: Where parties stand, CBC News, (Ottawa), 27 April 2007. Date of Access: 15 May 2007. <http://www.cbc.ca/news/background/climatechange/targets-timetables.html>.

<sup>15</sup> March 15-16, 2007 Potsdam G8 Environment Ministers Ministerial, Chair's Conclusions, Government of Canada, (Ottawa), 17 March 2007. Date of Access: 15 May 2007. <http://www.g8.gc.ca/ministerials2007-en.asp>.

<sup>16</sup> March 15-16, 2007 Potsdam G8 Environment Ministers Ministerial, Chair's Conclusions, Government of Canada, (Ottawa), 17 March 2007. Date of Access: 15 May 2007. <http://www.g8.gc.ca/ministerials2007-en.asp>.

<sup>17</sup> Working together to counter climate change, G8 Summit 2007 Heiligendamm, The German Federal Government, (Berlin), 13 February 2007. Date of Access: 15 May 2007. [http://www.g-8.de/nn\\_92452/Content/EN/Artikel/2007/02/2007-02-13-merkel-blair\\_\\_en.html](http://www.g-8.de/nn_92452/Content/EN/Artikel/2007/02/2007-02-13-merkel-blair__en.html).

<sup>18</sup> Bush's greenhouse gas plan throws Europe off guard, The New York Times, (Frankfurt), 2 June 2007. Date of Access: 4 June 2007. [http://www.nytimes.com/2007/06/02/washington/02germany.html?\\_r=1&n=Top%2fNews%2fScience%2fTopic%2fGlobal%20Warming&adxnnl=1&adxnnlx=1180954674-cFe4hpHLa2BFElJntWR9Uw&oref=slogin](http://www.nytimes.com/2007/06/02/washington/02germany.html?_r=1&n=Top%2fNews%2fScience%2fTopic%2fGlobal%20Warming&adxnnl=1&adxnnlx=1180954674-cFe4hpHLa2BFElJntWR9Uw&oref=slogin).

<sup>19</sup> Bush's greenhouse gas plan throws Europe off guard, The New York Times, (Frankfurt), 2 June 2007. Date of Access: 4 June 2007. [http://www.nytimes.com/2007/06/02/washington/02germany.html?\\_r=1&n=Top%2fNews%2fScience%2fTopic%2fGlobal%20Warming&adxnnl=1&adxnnlx=1180954674-cFe4hpHLa2BFElJntWR9Uw&oref=slogin](http://www.nytimes.com/2007/06/02/washington/02germany.html?_r=1&n=Top%2fNews%2fScience%2fTopic%2fGlobal%20Warming&adxnnl=1&adxnnlx=1180954674-cFe4hpHLa2BFElJntWR9Uw&oref=slogin).

<sup>20</sup> 2006 St.Petersburg Interim Compliance Report. G8 Research Group, (Toronto), 16 February 2007. Date of Access: 24 May 2007. [http://www.g8.utoronto.ca/evaluations/2006compliance\\_interim/index.html](http://www.g8.utoronto.ca/evaluations/2006compliance_interim/index.html).

Conversely, on 31 May 2007 US President Bush released a "New International Climate Change Framework" for the development of a "post-2012 framework on climate change" by 2008.<sup>21</sup> Instead of advocating an overarching consensus, Bush's proposal promotes individual approaches to emissions reductions, allowing each country to set their own long-term emissions reductions targets.<sup>22</sup> Further, a recently leaked copy of the German draft declarations for the Heiligendamm Summit revealed heavy criticism of the German objectives by the US who stated that the German "treatment of climate change runs counter to our overall position."<sup>23</sup>

Canada stands in a geo-politically precarious position within this debate due to heavy domestic pressure by opposition parties and the Canadian public to enact climate change legislation while maintaining strong ties to the US, its largest trading partner. Like the US, Canada has pursued a "home-grown" approach to climate change mitigation through the creation of Bill C-30. The legislation was developed as an alternative response to Canada's commitments under the Kyoto Protocol that required a 6% reduction of 1990 emissions levels by 2012.<sup>24</sup> Bill C-30 includes alternative targets for emissions reductions of 150 million tonnes by the year 2020.<sup>25</sup>

Bill C-30 has come under heavy criticism from interest groups who claim it lacks sufficiently stringent mechanisms to ensure an adequate reduction in emissions. International criticism sights the bill's reliance on intensity-based targets rather than hard caps on emissions as indicative of its shortcomings.<sup>26</sup> In response, Environment Minister John Baird denied that Canada is ignoring its Kyoto commitments, but argued that previous governmental inaction on emissions reduction has given his government only 5 years to mitigate some 15 years of emissions increases between the ratification of the Kyoto Protocol and its 2012 deadline.<sup>27</sup> As such, Baird states that Bill C-30's reduction targets are among the toughest in the world even though they may fall short of the requisite reduction levels to meet Canada's Kyoto targets.<sup>28</sup> The evolution of the Conservative Party's climate change policy within the past year toward setting feasible emissions targets are indicative of the government's increasing attention to the issue. This is further reflected in the recent 2007 budget that included a proposal to allocate a total of CAN\$3.5 billion to various climate change programs.<sup>29</sup> Nonetheless, deep divides between Canadian political parties has halted the passage of Bill C-30 and fuelled speculation that inability to agree over the issue could induce a vote of non-confidence to trigger a federal election.<sup>30</sup>

Despite its legislative congruence with the US's climate change agenda, Canada has also recently stated its support for the EU's climate change initiatives. Importantly, at a Paris meeting of World Environmental Ministers on 2 February 2007, Baird stated that Canada now faced the challenge of

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<sup>21</sup> Fact sheet: A new international climate change framework, The White House, (Washington), 31 May 2007.

Date of Access: 4 June 2007. <http://www.whitehouse.gov/news/releases/2007/05/20070531-13.html>

<sup>22</sup> Bush's greenhouse gas plan throws Europe off guard, The New York Times, (Frankfurt), 2 June 2007. Date of Access: 4 June 2007.

[http://www.nytimes.com/2007/06/02/washington/02germany.html?\\_r=1&n=Top%2fNews%2fScience%2fTopic%2fGlobal%20Warming&adxnnl=1&adxnnlx=1180954674-cFe4hpHLa2BFElJntWR9Uw&oref=slogin](http://www.nytimes.com/2007/06/02/washington/02germany.html?_r=1&n=Top%2fNews%2fScience%2fTopic%2fGlobal%20Warming&adxnnl=1&adxnnlx=1180954674-cFe4hpHLa2BFElJntWR9Uw&oref=slogin).

<sup>23</sup> US rejects all proposals on climate change, Guardian Unlimited, (London) 26 May 2007. Date of Access: 5 June 2007. <http://environment.guardian.co.uk/climatechange/story/0,,2088786,00.html>.

<sup>24</sup> UN Framework Convention on Climate Change and Kyoto Protocol to the Convention, Government of Canada, (Ottawa), 14 April 2006. Date of Access: November 22, 2006.

[www.ec.gc.ca/international/multilat/unfccc\\_e.htm](http://www.ec.gc.ca/international/multilat/unfccc_e.htm).

<sup>25</sup> New Tory climate change plan under attack, CBC News, (Calgary), 25 April 2007. Date of Access: 15 May 2007. <http://www.cbc.ca/canada/calgary/story/2007/04/25/baird-climate.html>.

<sup>26</sup> Canada can be leader in climate change battle: Harper, CBC News, (Ottawa), 4 June 2007, Date of Access: 5 June 2007. <http://www.cbc.ca/world/story/2007/06/04/harper-germany.html>.

<sup>27</sup> Teleconference with John Baird, Minister of the Environment, Canada, following the G8 Environment Ministers Meeting, G8 Research Group, (Toronto), 17 March 2007. Date of Access: 24 May 2007. <http://www.g8.utoronto.ca/environment/env070317-baird.htm>.

<sup>28</sup> Teleconference with John Baird, Minister of the Environment, Canada, following the G8 Environment Ministers Meeting, G8 Research Group, (Toronto), 17 March 2007. Date of Access: 24 May 2007. <http://www.g8.utoronto.ca/environment/env070317-baird.htm>

<sup>29</sup> Budget 2007: Aspire to a stronger, safer, better Canada, Department of Finance Canada, (Ottawa), 19 March 2007. Date of Access: 12 May 2007. <http://www.budget.gc.ca/2007/bp/bpc1e.html>.

<sup>30</sup> Pass overhauled clean air bill, Harper urged, CBC News, (Ottawa), 30 March 2007. Date of Access: 15 May 2007. <http://www.cbc.ca/canada/story/2007/03/30/clean-air-070330.html>.

“playing catch-up” with its European counterparts in terms of emissions reductions efforts demonstrating a willingness to cooperate with other European nations on the issue.<sup>31</sup> At the Canada-EU Summit on 4 June 2007, Harper proclaimed his agreement with Merkel on the need for stringent long-term emissions reduction targets.<sup>32</sup> As such, Harper and Baird have positioned Canada as a mediator between the polarized US and EU camps on the issue of climate change.<sup>33</sup>

Prompted by both domestic and international pressure to seriously address climate change at Heiligendamm, Canada will face demands for increased steps towards procuring domestic emissions reductions by European member states. Some interest groups have suggested that Canada’s summit objectives will be largely directed by domestic political concerns. These groups hold that the minority government in Ottawa is interested largely in assuaging strong Canadian public opinion in favor of concrete action on climate change whilst preserving what is seen by these groups as a less than adequate environmental policy and implicit support for the US framework plan.<sup>34</sup>

In discussions on the procurement of an international agreement on post-2012 climate change initiatives, Harper is likely to insist upon the inclusion of target-setting at the national level in order to procure a successful international initiative.<sup>35</sup> Harper has also stated that he plans to procure an agreement that includes both the US and China as necessary partners in any effective action plan.<sup>36</sup> Harper is therefore likely to push strongly for a structured dialogue with key developing nations such as India and China in accordance with other G8 nations in the formation of a unanimous commitment.<sup>37</sup>

As Canada has declared itself a mediator between the United States and European nations, success for Canada will entail the drafting of a commitment that satisfies European objectives by setting ambitious long-term goals within the post-2012 framework while allowing each nation considerable short and medium-term leeway for the development of more individualized objectives at the national level.

## **Objective 2: African Development**

Economic development, at the core of the Germany G8 Presidency’s agenda for Africa, has several components. Harper is likely to put support behind providing official development assistance (ODA) toward the poorest continent along the lines of the 2005 Gleneagles commitment to double aid to Africa by 2010. However, it is unlikely that Canada will call for greater commitments of aid to the continent, as the Harper government has not made aid to Africa a top priority.<sup>38</sup>

The Canadian Council for International Co-operation estimates that Canada’s 2007-2008 aid contributions will total 0.32% of its Gross National Income (GNI).<sup>39</sup> This percentage is still far below the goal of 0.7% of the country’s GNI, which was agreed upon by world leaders at the 2000

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<sup>31</sup> Climate report predicts major consequences for Canada, CBC News, (Ottawa), 2 February 2007. Date of Access: 15 May 2007. <http://www.cbc.ca/canada/story/2007/02/02/canada-climate-070202.html>.

<sup>32</sup> Canada can be leader in climate change battle: Harper, CBC News, (Ottawa), 4 June 2007, Date of Access: 5 June 2007. <http://www.cbc.ca/world/story/2007/06/04/harper-germany.html>.

<sup>33</sup> PM walks fine line between Europe and U.S., The Globe and Mail, (Toronto), 4 June 2007. Date of Access: 4 June 2007. <http://www.theglobeandmail.com/servlet/story/RTGAM.20070604.wg8main04/BNStory/Front>.

<sup>34</sup> Canada’s position on G8 climate declaration a mystery, Canadian Press, (Ottawa), 27 May 2007. Date of Access: 5 June 2007.

<http://www.theglobeandmail.com/servlet/story/RTGAM.20070527.wcanenviro0527/BNStory/National>.

<sup>35</sup> Harper lands in Germany as G8 Summit approaches, CBC News, (Ottawa), 3 June 2007. Date of Access: 4 June 2007. <http://www.cbc.ca/canada/story/2007/06/03/harper-summit.html>.

<sup>36</sup> Canada declines to enter G8 climate change fight, Reuters, (Ottawa), 28 May 2007. Date of Access: 5 June 2007. <http://www.alertnet.org/thenews/newsdesk/N28268298.htm>.

<sup>37</sup> Teleconference with John Baird, Minister of the Environment, Canada, following the G8 Environment Ministers Meeting, G8 Research Group (Toronto) 17 March 2007. Date of Access: 24 May 2007. <http://www.g8.utoronto.ca/environment/env070317-baird.htm>.

<sup>38</sup> Country Profile: Canada,” The Data Report, 2007 (London), May 2007. Accessed: 30 May 2007. <http://www.thedatareport.org/pdf/canada2007.pdf>.

<sup>39</sup> Briefing Note: The 2007 Federal Budget, (Ottawa), November 2006. Date of Access: 13 May 2007. [http://www.ccic.ca/e/docs/002\\_aid\\_2006-10\\_pre-budget\\_briefing\\_note.pdf](http://www.ccic.ca/e/docs/002_aid_2006-10_pre-budget_briefing_note.pdf).

UN Millennium Summit as part of the eight Millennium Development Goals (MDGs).<sup>40</sup> Canada, along with the UK, Germany, Italy, and France, are the only countries among the G8 that have made long-term commitments to reach the 0.7% benchmark.<sup>41</sup>

In February 2007, the Canadian International Development Agency (CIDA) felt considerable pressure from the Standing Senate Committee on Foreign Affairs and International Trade. In its report *Overcoming 40 Years of Failure: A New Roadmap for Sub-Saharan Africa*, the Senate Committee called for an immediate review of the government agency which would lead to its abolishment or significant reconstruction.<sup>42</sup> The Senate Committee specifically criticized CIDA's aid distribution methods and lack of objective standards to measure its progress.<sup>43</sup> Briefly outlined in the 2007 budget, Canada's plan to increase aid effectiveness involves strengthening the focus of international assistance while also increasing its efficiency and accountability.<sup>44</sup> The 2007 budget also states that this aid effectiveness strategy will be implemented and compared to those of the G8 member countries.<sup>45</sup>

The German G8 Presidency has also announced its intentions to promote democratic development alongside economic development within Africa. Canada has partially complied with its St Petersburg commitments related to transnational crime and corruption. As an observer to the UN Convention Against Transnational Organized Crime, Canada intends to implement a series of protocols to reduce "gaps in national law, jurisdictional problems or a lack of accurate information about the full scope of their activities."<sup>46</sup> Canada has also encouraged the implementation of cooperative investigation teams under Article 19 of the UN Convention Against Transnational Organized Crime.<sup>47</sup> On the other hand, Canada has yet to join the UK, France, the United States, and Russia in ratifying the UN Convention Against Corruption (UNCAC).<sup>48</sup>

Harper will likely focus on commitments concerning ODA during summit talks to strengthen the African economy. More specifically, he will highlight the new money allocated in the latest federal budget as a point of Canadian leadership. Considering Canada's strong history of supporting African development in Gleneagles and as host country of the 2002 Kananaskis Summit, Canada will not prove a sour partner in G8 talks. Canada will look for a reaffirmation of the Gleneagles commitment to double foreign aid to Africa by 2010, especially by those individual G8 members who have fallen short of aid targets.

### **Objective 3: Energy Security**

Russia and Canada are the only G8 countries that are net exporters of energy.<sup>49</sup> Currently, Europe depends heavily on the Russian supply of gas and oil.<sup>50</sup> In a speech anticipating the St Petersburg

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<sup>40</sup> UN Millennium Development Goals, United Nations, (New York), 2005. Date of Access: 13 May 2007. <http://www.un.org/millenniumgoals>.

<sup>41</sup> Africa, Foreign and Commonwealth Office, (London), 8 July 2005. Date of Access: 13 May 2007. [http://www.fco.gov.uk/Files/kfile/PostG8\\_Gleneagles\\_Africa,0.pdf](http://www.fco.gov.uk/Files/kfile/PostG8_Gleneagles_Africa,0.pdf).

<sup>42</sup> *Overcoming 40 years of failure: A new roadmap for Sub-Saharan Africa*, (Ottawa), February 2007. Date of Access: 12 May 2007. <http://www.parl.gc.ca/39/1/parlbus/commbus/senate/com-e/fore-e/rep-e/repafriFeb07-e.pdf>.

<sup>43</sup> *Overcoming 40 years of failure: A new roadmap for Sub-Saharan Africa*, (Ottawa), February 2007. Date of Access: 12 May 2007. <http://www.parl.gc.ca/39/1/parlbus/commbus/senate/com-e/fore-e/rep-e/repafriFeb07-e.pdf>.

<sup>44</sup> *Budget 2007: A safer Canada*, Department of Finance Canada, (Ottawa), 19 March 2007. Date of Access: 13 May 2007. <http://www.budget.gc.ca/2007/overview/briefe.html>.

<sup>45</sup> *Budget 2007: A safer Canada*, Department of Finance Canada, (Ottawa), 19 March 2007. Date of Access: 13 May 2007. <http://www.budget.gc.ca/2007/overview/briefe.html>.

<sup>46</sup> United Nations Convention against Transnational Organized Crime, UN Office on Drugs and Crime, (Vienna). Date of Access: 4 June 2007. [www.unodc.org/unodc/en/crime\\_cicp\\_signatures\\_convention.html](http://www.unodc.org/unodc/en/crime_cicp_signatures_convention.html).

<sup>47</sup> Criminal Code, Department of Justice, (Ottawa), 10 December 2006. Date of Access: 4 January 2007. [laws.justice.gc.ca/en/c-46/text.html](http://laws.justice.gc.ca/en/c-46/text.html).

<sup>48</sup> United Nations Convention Against Corruption, United Nations Information Service, (Vienna), 10 May 2004. Date of Access: 12 May 2007. <http://www.unis.unvienna.org/unis/pressrels/2004/uniscp484.html>.

<sup>49</sup> Harper touts Canada as 'energy superpower' in pre-G8 speech to business crowd, Canadian Press, (London), 15 July 2006. Date of Access: 4 June 2007.

Summit, Harper called Canada an “emerging energy superpower” with the world’s third largest producer of gas, seventh largest oil producer, and the largest uranium supplier.<sup>51</sup>

Russia has been perceived as an unreliable contributor of energy when Moscow stopped oil flows through Belarus because of a dispute with Minsk in January 2006.<sup>52</sup> In the previous year, Russia’s disputes with Ukraine prevented gas flows from reaching Germany.<sup>53</sup> According to the European Policy Centre, Russia is an inefficient supplier also because the energy sector is controlled by a few big companies.<sup>54</sup> This means that smaller companies are unable to compete, thereby preventing long-term maximization of the energy supply. Russia’s gas industry, in particular, is one of the most centralized and least competitive sectors of its economy.<sup>55</sup>

Merkel has placed energy security on the agenda of the 2007 Heiligendamm Summit. As President of both the G8 and EU in 2007, Merkel has announced her intention to reduce Europe’s dependence on one energy supplier.<sup>56</sup> During the US-EU summit on 1 May 2007, the EU announced their concern with energy security and desire to increase communication with suppliers. Some general plans include increasing “effective access to markets, possibilities for capital investments at all stages of the energy-supply chain, and the establishment of competitive markets.”<sup>57</sup> Merkel has also proposed expanding the use of renewable energies and reconsidering Germany’s plans to phase out nuclear power.<sup>58</sup>

Given Merkel’s intent to expand energy suppliers and in light of Russia’s perceived inefficiency in providing energy, a key objective for Canada at this year’s summit is to further promote Canada as a prospective energy power. At the Canada-EU Summit on 4 June 2007, both parties agreed to establish an annual Canada-EU High-Level Dialogue on Energy. At the same meeting, Canada acknowledged the need for international cooperation in increasing energy efficiency, improving market transparency, diversifying energy supplies, and protecting the world’s energy supply. The EU will continue to push their proposal on energy efficiency standards, which the US has rejected because it overlooks the specificity of each country’s energy sector.<sup>59</sup> Though the US will not support this EU initiative, Canada is more likely to concede on energy-related proposals than on climate change agreements. Success for Canada in energy security will entail an acknowledgement of Canada as a major energy supplier.

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<http://www.canada.com/topics/news/national/story.html?id=f00ea975-9355-4dbc-a908-e9c6f7059863&k=73302>.

<sup>50</sup> EU-Russia energy relations: the need for active engagement, European Policy Centre, (Brussels), March 2006. Date of Access: 4 June 2007.

[http://www.epc.eu/TEWN/pdf/89495137\\_EPC%20Issue%20Paper%2045%20EU-Russia%20energy%20relations.pdf](http://www.epc.eu/TEWN/pdf/89495137_EPC%20Issue%20Paper%2045%20EU-Russia%20energy%20relations.pdf).

<sup>51</sup> Harper touts Canada as 'energy superpower' in pre-G8 speech to business crowd, Canadian Press, (London), 15 July 2006. <http://www.canada.com/topics/news/national/story.html?id=f00ea975-9355-4dbc-a908-e9c6f7059863&k=73302>.

<sup>52</sup> Merkel raps Putin over energy row, BBC Online, (London), 21 January 2007. Date of Access: 4 June 2007. <http://news.bbc.co.uk/2/hi/business/6285125.stm>.

<sup>53</sup> Merkel raps Putin over energy row, BBC Online, (London), 21 January 2007. Date of Access: 4 June 2007. <http://news.bbc.co.uk/2/hi/business/6285125.stm>.

<sup>54</sup> EU-Russia energy relations: the need for active engagement, European Policy Centre, (Brussels), March 2006. Date of Access: 4 June 2007.

[http://www.epc.eu/TEWN/pdf/89495137\\_EPC%20Issue%20Paper%2045%20EU-Russia%20energy%20relations.pdf](http://www.epc.eu/TEWN/pdf/89495137_EPC%20Issue%20Paper%2045%20EU-Russia%20energy%20relations.pdf).

<sup>55</sup> EU-Russia energy relations: the need for active engagement, European Policy Centre, (Brussels), March 2006. Date of Access: 4 June 2007.

[http://www.epc.eu/TEWN/pdf/89495137\\_EPC%20Issue%20Paper%2045%20EU-Russia%20energy%20relations.pdf](http://www.epc.eu/TEWN/pdf/89495137_EPC%20Issue%20Paper%2045%20EU-Russia%20energy%20relations.pdf).

<sup>56</sup> EU energy plan: What nations think, BBC Online, (London), 10 January 2007. Date of Access: 4 June 2007. <http://news.bbc.co.uk/2/hi/science/nature/6247487.stm>.

<sup>57</sup> USA, EU favour transparency of world energy markets, ITAR-TASS World Service, 1 May 2007.

<sup>58</sup> EU energy plan: What nations think, BBC Online, (London), 10 January 2007. Date of Access: 4 June 2007. <http://news.bbc.co.uk/2/hi/science/nature/6247487.stm>.

<sup>59</sup> Bush calls on 15 countries to set global emission goal by 08, Ireland Online, (Dublin), 31 May 2007. Date of Access: 4 June 2007. <http://breakingnews.iol.ie/news/story.asp?j=221137556&p=zzyy38z6z>.

#### **Objective 4: HIV/AIDS**

A commitment to combating HIV/AIDS has been a common priority issue of both the 2006 St Petersburg and 2005 Gleneagles Summits. In Heiligendamm, Harper will likely express continued support for the Global Fund to Fight Aids, Tuberculosis, and Malaria. Canada's most recent commitment to the Global Fund is its CAD\$250 million pledge for the 2006-2007 replenishment period.<sup>60</sup> On World AIDS Day, 1 December 2006, the Minister for International Cooperation and Minister for La Francophonie and Official Languages Josée Vernier expressed Canada's intention to "support established programs which have a proven track record of achieving results, such as the Global Fund."<sup>61</sup>

In addition, the Conservative government has shown some commitment to initiatives beyond the Fund. For instance, the 2007 budget includes a tax incentive for companies that donate medications to treat AIDS and tuberculosis to the developing world.<sup>62</sup> As part of the Canadian AIDS Vaccine Initiative, CIDA and the Bill and Melinda Gates Foundation will contribute \$111 million and \$28 million, respectively, to support further research through one of the world's first vaccine plans initiated at the national level.<sup>63</sup>

Success for Canada at the summit will entail a reaffirmation to support the Global Fund to Fight AIDS, Tuberculosis, and Malaria. Based on Canada's historically strong support for the Fund, it is reasonable to conclude that Canada will elicit the support of other G8 members to meet replenishment targets. The efforts of the G8 will revolve around making progress in the Millennium Development Goal (MDG) to achieve universal access to HIV/AIDS treatment by 2010. In his statement introducing the Canadian AIDS Vaccine Initiative, Harper said, "This collaborative effort between Canada's New Government and the Gates Foundation will contribute to the global effort to develop a safe, effective, affordable, and globally accessible HIV vaccine."<sup>64</sup> Harper's statement reveals a commitment to the HIV/AIDS MDG – an important commitment that he will bring to the G8 table in Heiligendamm.

#### **Objective 5: Regional Security in the Middle East and Afghanistan**

In the infancy of Germany's G8 Presidency, Merkel stated that a focus on the Middle East will depend on the global political context at the time of the 2007 Heiligendamm Summit.<sup>65</sup> Given continuing problems in the Middle East as well as Canada's 2006 involvement in the Lebanon crisis and continuing involvement in Afghanistan, the promotion of democratic governance and peace is likely to be a high priority for Canada's diplomatic engagement at the 2007 summit.

In August 2006 the crisis in Lebanon led to the evacuation of thousands of Canadian citizens to Canada, establishing the strength of Canada's involvement in the Middle East.<sup>66</sup> Furthermore, under the Conservative government, Canada has terminated diplomatic relations with Hamas that

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<sup>60</sup> St. Petersburg Summit: Infectious Disease, G8 Research Group, (Toronto), 16 July 2006. Date of Access: 10 May 2007. <http://www.g8.utoronto.ca/summit/2006stpetersburg/infdis.html#annex>.

<sup>61</sup> Canada announces new funding for the fight, Canadian International Development Agency, (Ottawa), 1 December 2006. Date of Access: 14 May 2007. <http://www.acdi-cida.gc.ca/cidaweb/acdicida.nsf/En/MIC-12184813-J7Q?OpenDocument>.

<sup>62</sup> Budget 2007: A safer Canada, Department of Finance Canada, (Ottawa), 19 March 2007. Date of Access: 14 May 2007. <http://www.budget.gc.ca/2007/overview/briefe.html>.

<sup>63</sup> Canada's new government and Gates Foundation announce support for HIV/AIDS vaccine research, Office of the Prime Minister of Canada, (Ottawa), 20 February 2007. Date of Access: 14 May 2007. <http://www.pm.gc.ca/eng/media.asp?id=1544>.

<sup>64</sup> Canada's new government and Gates Foundation announce support for HIV/AIDS vaccine research, Prime Minister of Canada, (Ottawa), 20 February 2007. Date of Access: 25 May 2007. <http://www.pm.gc.ca/eng/media.asp?category=1&id=1544>.

<sup>65</sup> Growth and Responsibility: The Prospective Agenda for the 2007 G8 Heiligendamm Summit, G8 Research Group, (Toronto), 30 April 2007. Date of Access: 15 May 2007. <http://www.g7.utoronto.ca/evaluations/2007heilgendamm/2007agenda.html#mideast>.

<sup>66</sup> Canada and Lebanon, A special tie, CBC News in Depth, (Ottawa), 1 August 2006. Date of Access: 15 May 2007. <http://www.cbc.ca/news/background/middleeast-crisis/canada-lebanon.html>.

is listed as a terrorist group and considered partially responsible for instigating the 2006 Lebanon crisis.<sup>67</sup>

The 2007 budget tabled by Conservative Minister of Finance Jim Flaherty commits a considerable amount of funding to military expansion and domestic security.<sup>68</sup> Canada also extended its military involvement in Afghanistan, pledging CAD\$200 million to the reconstruction of Afghanistan.<sup>69</sup> In response to the continued threat of Taliban extremists, Canada has pledged to remain in Afghanistan, where it currently has over 2000 troops, until the likelihood of security is confirmed.<sup>70</sup> The government's commitment to the maintenance of operations in Afghanistan, a cornerstone of the government's international aid program, was confirmed on 24 April 2007 when a Liberal motion to terminate Canadian military involvement in Afghanistan by 2009 was defeated in the House of Commons by 150-134.<sup>71</sup> Diplomatic re-affirmation of Canada's attention to the Afghan mission was further demonstrated through bilateral talks between Harper and Afghan President Hamid Karzai during Harper's surprise visit to Afghanistan on 22 May 2007.<sup>72</sup>

The promotion of democratic governance internationally is a key element of Canada's current international policy<sup>73</sup> and is congruent with the German G8 Presidency's goal of promoting good governance. In a 31 January 2007 National Post Press Release, Canadian Minister of Foreign Affairs Peter MacKay confirmed Canada's commitment to "stand up for freedom, democracy, human rights and the rule of law—and stand against terrorism and extremism."<sup>74</sup> Given the absence of international security issues and a reversion of focus from the Middle East to Africa on the upcoming summit agenda, Canada is likely to advocate for greater emphasis on regional stability by the G8 nations. Although it is not directly involved in military operations in the Middle East, Canada relates the security of its position in nearby Afghanistan to instability in Iraq and elsewhere. In this way, success for Canada will entail a strong declaration of commitment by all G8 nations on the promotion and maintenance of peace, good governance, and counter-terrorism, specifically in the Middle East and Afghanistan.

**By: Courtney Hood and Sarah Yun**

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<sup>67</sup> John Kirton, Harper's foreign policy success? Address to the Canadian Institute for International Affairs Toronto Branch at Gowling Lafleur Henderson LLP, (Toronto), 28 November 2006. Date of Access: 15 May 2007. <http://www.g8.utoronto.ca/scholar/kirton2006/kirton-harper-fp.pdf>.

<sup>68</sup> Budget 2007: A safer Canada, Department of Finance Canada, (Ottawa), 19 March 2007. Date of Access: 15 May 2007. <http://www.budget.gc.ca/2007/themes/paasce.html>.

<sup>69</sup> Budget 2007: A safer Canada, Department of Finance Canada, (Ottawa), 19 March 2007. Date of Access: 15 May 2007. <http://www.budget.gc.ca/2007/themes/paasce.html>.

<sup>70</sup> Canada in for the long haul in Afghanistan: O'Connor, CBC News, (Ottawa), 3 April 2007. Date of Access: 15 May 2007. <http://www.cbc.ca/canada/story/2007/04/03/defence-speech.html>.

<sup>71</sup> MPs defeat motion to pull troops from Afghanistan by 2009, CBC News, (Ottawa), 24 April 2007. Date of Access: 15 May 2007. <http://www.cbc.ca/canada/story/2007/04/24/liberal-motion.html>.

<sup>72</sup> PM keeps it upbeat in Kabul, Toronto Star, (Toronto), 23 May 2007. Date of Access: 24 May 2007. <http://www.thestar.com/article/216697>.

<sup>73</sup> Canada in the World: Canadian International Policy, Policy Discussion, A Uniquely Canadian Approach to Democracy Promotion, (Ottawa), 15 December 2006. Date of Access: 15 May 2007. [http://geo.international.gc.ca/cip-pic/library/Policy\\_Discussions-en.asp?id=8409](http://geo.international.gc.ca/cip-pic/library/Policy_Discussions-en.asp?id=8409).

<sup>74</sup> How Canada can make a difference in the Middle East, National Post, (Ottawa), 31 January 2007. Date of Access: 15 May 2007. [http://www.dfait-maeci.gc.ca/middle\\_east/statement\\_02-16-2007-en.asp](http://www.dfait-maeci.gc.ca/middle_east/statement_02-16-2007-en.asp).

# France

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## Political Data

President of the Republic	M. Nicolas SARKOZY
Prime Minister	M. François FILLON
Minister of Foreign Affairs	M. Bernard KOUCHNER
Minister of State: Ecologies, Development and Sustainability	M. Alain JUPPE
Minister of the Economy, Finance and Industry	M. Jean-Louis BORLOO
Minister of the Interior	Mme. Michèle ALLIOT-MARIE
Minister of Justice	Mme. Rachida DATI
Minister of National Education	M. Xavier DARCOS
Minister of Higher Education and Research	Mme. Valérie PECRESSE
Minister of Immigration, Integration, and National Identity	M. Brice HORTEFEUX
Minister of Labour, Social Relations and Solidarity	M. Xavier BERTRAND
G8 Sherpa	Jean-David Levitte

## Governmental Structure

Parliament: National Assembly (Legislature). Total 577 seats; members elected by popular vote under a single-member majority system to serve five-year terms. Senate: Total 321 seats; members indirectly elected by an electoral college to serve nine-year terms.<sup>75</sup>

## Economic Data<sup>76</sup>

GDP (PPP, 2006 est.)	\$1 871 billion
GDP per capita (PPP, 2006 est.)	\$30, 100
GDP % real change (2006 est.)	2%
Recorded unemployment (2006 est.)	8.7%
Exchange rate (US\$ per Euro, 1 June 2007)	1.3435
Foreign Aid (ODA, 2006)	\$10.1 billion
Export Value (2006 est.)	\$490 billion f.o.b.
Import Value (2006 est.)	\$529.1 billion f.o.b.

## Main Imports (2002)

Intermediate goods 31.2%, Investment goods 22.9%, Consumer goods 16.0%, Energy 11.6%, Motor vehicles and transport equipment 10.6%.

## Main Exports (2002)

Intermediate goods 30.6%, Investment goods 14.5%, Consumer goods, 14.2%, Motor vehicles and transport equipment 14.2%, Processed food and drinks 8.5%.

## Major Trading Partners (2004)

Exports: Germany 15%, Spain 9.5%, UK 9.4%, Italy 9%, Belgium 7.2%, US 6.7%.

Imports: Germany 19.2%, Belgium 9.9%, Italy 8.8%, Spain 7.4%, UK 7%, Netherlands 6.7%, US 5%.

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<sup>75</sup> CIA World Factbook, Central Intelligence Agency (Washington) 10 May 2007. Date of Access: 14 May 2007. <https://www.cia.gov/library/publications/the-world-factbook/geos/fr.html#Govt>.

<sup>76</sup> CIA World Factbook, Central Intelligence Agency (Washington) 10 May 2007. Date of Access: 14 May 2007. <https://www.cia.gov/library/publications/the-world-factbook/geos/fr.html#Govt>.

## Background

With a newly elected president committed to major social and economic reform, France finds itself at a turning point. Elected with a 53% majority on 13 May 2007 (ahead of the *Parti Socialiste's* Ségolène Royal), President Nicolas Sarkozy of the centre-right UMP (*Union pour un Mouvement Populaire*) is enjoying strong support among French citizens, with approval ratings at approximately 65%. In contrast to the St. Petersburg Summit, which took place during the first phases of a presidential election and was followed by close to a year of government setbacks,<sup>77</sup> the French government is now in a strong position for Heiligendamm.

Pragmatic and assertive, President Sarkozy is well placed to provide leadership at the 2007 Summit who enjoys friendly relations with both German Chancellor Angela Merkel and American President George W. Bush. Though he will seek to foster good relations with the United States, President Sarkozy realizes that France's future lies with Europe. Among his many objectives includes a mini-treaty to replace the failed European Constitution, which will be advanced once France assumes the EU Presidency in 2008. If predictions that the United States will block certain German proposals at Heiligendamm prove true, President Sarkozy may seek to mediate, but with a greater affinity for German and EU proposals.

Indeed, the German Presidency's priorities for Heiligendamm match many French priorities both at the domestic and international level. This will allow France to work closely with Germany during the summit, strengthening the Franco-German partnership in advance of France's EU presidency in 2008. German support is key for President Sarkozy's proposals for European reform, namely a new treaty for the EU. President Sarkozy visited Berlin on his first day in office,<sup>78</sup> where he indicated his desire to work closely with the German Chancellor. He stated that, "Germany and France naturally have greater influence on European and world affairs than when they act separately."<sup>79</sup> This desire for close partnership with Germany will undoubtedly be reflected at Heiligendamm.

At Heiligendamm, German officials have specified that, "the question of employment, the question of growth, the question of stability, the question of how best to confront the challenges of globalization ... will be very high on our agenda."<sup>80</sup> Addressing the challenges of globalization is an important concern for France. Indeed, threatened by the perceived evils of globalization, many voters elected Sarkozy, who was viewed as the ideal candidate to rectify the assumed loss of the French identity, culture, and independence due to economic integration.<sup>81</sup> France thus welcomes Germany's focus on growth and innovation, particularly the question of how best to meet the challenges presented by the rapidly globalizing world.<sup>82</sup> Economic growth is a principal French priority, as the country's growth lags behind other European countries at around 1.7% per year.<sup>83</sup> On the domestic front, President Sarkozy will be enacting a series of economic reforms aimed at increasing purchasing power and combating unemployment.<sup>84</sup>

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<sup>77</sup> From 2005-2006, the government of President Jacques Chirac and Prime Minister Dominique de Villepin suffered serious setbacks including suburban riots, student protests, political scandal (the Clearstream Affair), as well as the failure of the EU constitution treaty in May 2005.

<sup>78</sup> *Le Président*, Catherine Pégard, *Le Point* (Paris) 10 May 2007.

<sup>79</sup> Franco-German meeting, Statement by Nicolas Sarkozy, President of the Republic, Paris, 16 May 2007. President Sarkozy also added that "for France, Franco-German friendship is sacrosanct and that nothing can possibly undermine it."

<sup>80</sup> Growth and Responsibility: The Prospective Agenda for the 2007 G8 Heiligendamm Summit, Laura Sunderland, G8 Research Group (Toronto). Date of access 15 May 2007.

<http://www.g8.utoronto.ca/evaluations/2007heilgendamm/2007agenda.html#africa>.

<sup>81</sup> Speech by Nicolas Sarkozy, President of the Republic, at the investiture ceremony, Nicolas Sarkozy, Paris, May 16, 2007. Date of access May 24 2007. [http://www.ambafrance-us.org/news/statmnts/2007/sarkozy\\_inaugural\\_speech051607.asp](http://www.ambafrance-us.org/news/statmnts/2007/sarkozy_inaugural_speech051607.asp).

<sup>82</sup> Priorities as stated by Wolfgang Ischinger, German Ambassador to the UK, as quoted in Growth and Responsibility: The Prospective Agenda for the 2007 G8 Heiligendamm Summit, Laura Sunderland, G8 Research Group (Toronto). Date of access 15 May 2007.

<http://www.g8.utoronto.ca/evaluations/2007heilgendamm/2007agenda.html#africa>.

<sup>83</sup> Sarkozy Set Sights on the Economy, Doug Saunders, *Globe and Mail* (Toronto), 7 May 2007.

<sup>84</sup> *Le Président*, Catherine Pégard, *Le Point* 10 May 2007.

Finally, Heiligendamm may also be a turning point for France's position on trade. The new French president could use this summit to demonstrate a willingness to reform the EU's Common Agricultural Policy (CAP); a point of contention relevant in discussions both with the G20 countries and with the G8's partners in African development.

## **Summit Objectives**

### ***Objective 1: African development through partnership, good governance***

In light of France's traditional links to Africa, President Sarkozy has pledged to spearhead development across the continent.<sup>85</sup> Historically, France has always sought to put Africa at the forefront of any development agenda at G8 summits. At Heiligendamm, France is likely to focus on economic and democratic development as well as on fighting HIV, AIDS, Tuberculosis and Malaria through the UNITAID initiative<sup>86</sup> and other programs.

Chancellor Merkel's approach to African development closely parallels that of President Sarkozy. In a speech in Cotonou last year, Sarkozy denounced the "l'Afrique de papa" attitudes of the past,<sup>87</sup> noting the need for African leaders to lead reform. France will thus embrace an approach to African development, one based on partnership and good governance.

In particular, France is certain to support the idea of the "partnership for reform" where each G8 country will partner with an African country that has displayed a commitment to developing good governance and sound investment policies. As France already partners with various African nations in health and education programs, an economic element appears to be the logical next step. Although it may be tangential, President Sarkozy may use the idea of the partnership at Heiligendamm to bring up his idea of a Mediterranean Union to include North African states.

At Heiligendamm, France will likely lend much support to Germany's African development proposals. Success can be measured by the quantity and quality of commitments made at the summit.

### ***Objective 2: Fighting HIV/AIDS***

A second objective for France will be the fight against HIV and AIDS. In the past, the French government has been active on the issue at G8 Summits<sup>88</sup> and in general foreign policy initiatives.<sup>89</sup> Former Foreign Minister Philippe Douste-Blazy, who was also a past minister of health, had both the intellectual background and personal motivation to take a leading role in health initiatives abroad. Now, newly appointed Foreign Minister Bernard Kouchner, co-founder of Médecins Sans Frontières (Doctors Without Borders), brings a similar background to the French foreign ministry.

Last year's St. Petersburg Summit saw France encouraging other G8 leaders to secure new and stable funding for the Global Fund to fight AIDS, Tuberculosis and Malaria.<sup>90</sup> Though G8 leaders re-stated their commitment to the Global Fund in the St. Petersburg final communiqué on

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<sup>85</sup> Speech by Nicolas Sarkozy, President of the Republic, at the investiture ceremony, Paris, May 16, 2007. Date of access May 24 2007. [http://www.ambafrance-us.org/news/statmnts/2007/sarkozy\\_inaugural\\_speech051607.asp](http://www.ambafrance-us.org/news/statmnts/2007/sarkozy_inaugural_speech051607.asp).

<sup>86</sup> The UNITAID initiative was introduced by France and Brazil among other countries as an initiative to renew the Global Fund for AIDS, Tuberculosis and Malaria. See Country Objective Reports: France for the 2006 St. Petersburg Summit.

<sup>87</sup> Les cent premiers jours, Saïd Mahrane, Le Point (Paris) 10 May 2007, pg. 51.

<sup>88</sup> See Country Assessment Reports: France for the 2006 St. Petersburg Summit.

<sup>89</sup> See Country Objective Reports: France for the 2006 St. Petersburg Summit.

<sup>90</sup> Elysée Palace spokesperson Jerome Bonnafont, press briefing, 15 July 2006.

international health, France and Canada were the only countries who pledged to contribute new funding, and France's solidarity levy project, UNITAID, has received negligible mention.<sup>91</sup>

At Heiligendamm, President Sarkozy will have to decide whether to follow in the footsteps of his predecessor and promote UNITAID, an international solidarity contribution on airline tickets established in 2006 by France, Brazil, and former UN Secretary General Kofi Annan among others. If the UNITAID project is not brought up, new funding commitments must be made by G8 countries, preferably to the Global Fund, an already-established G8 initiative. This is how success for France in Heiligendamm on the fight against HIV and AIDS can be measured.

### **Objective 2: Climate Change**

In keeping with the tradition of his predecessor Jacques Chirac, President Sarkozy announced his intention to make climate change a priority at the Heiligendamm Summit.<sup>92</sup> Sarkozy praised the former president's efforts on the issue, saying that Chirac "[played a great] role in making mankind aware of the imminence of the ecological disaster and of everyone's responsibility to the coming generations."<sup>93</sup> President Sarkozy has further stated that, "Energy will be the major issue of the twenty-first century," and that "France must be in the vanguard when it comes to drawing up a European energy policy based on the security and diversification of our supply sources, reduction of our energy dependence and fighting global warming by developing the use of environmentally-friendly energy sources."<sup>94</sup> Although questions of energy security are closely related to discussions of climate change, the German Presidency has focused the agenda on climate change specifically, including a re-assessment of commitments as made at Gleneagles in 2005.

Leaked documents have indicated that the overarching goal on this issue will be a strong declaration in support of a post-Kyoto plan, to be drawn up at the December 2007 United Nations Conference on Climate Change. Such a strong declaration of support by all G8 countries would be the measure of success for France in Heiligendamm. In addition, because France continues to be in a good position to push for serious emissions reductions targets, another measure of success would be any indication that France has pressured and influenced other G8 leaders to agree with a strong declaration for a post-Kyoto plan. This is particularly important as leaked documents appeared to suggest that the climate change declaration may be watered down due to disagreement among the G8 countries.

A final measure of success for France in climate change discussions would be proposals or agreements for cooperation and sharing of nuclear technologies. As a global leader in nuclear power, which produces little air pollution, France can play a lead role in helping other countries develop secure and sustainable nuclear power strategies. France also has a highly developed system of hydroelectric power, leaving it in an ideal position to play a role in policies designed to develop hydroelectricity elsewhere.

### **Objective 3: Regional Security: Lebanon, Sudan, and Iran**

#### *Gaining Russian support for Darfur*

France is likely to raise the situation in the Darfur region of Sudan. President Sarkozy has stated that his new Foreign Minister Bernard Kouchner "will make France's voice heard so that Darfur can begin to emerge from tragedy."<sup>95</sup> Kouchner may have the international profile needed to rally international support for effective action in Darfur, and indeed, has come forward with a plan which will be considered by G8 leaders at the Heiligendamm Summit. This plan, proposed to G8 Foreign

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<sup>91</sup> Health Communiqué, "Fight Against Infectious Diseases." Date of access 27 July 2006. <http://www.g8.utoronto.ca/summit/2006stpetersburg/infdis.html>.

<sup>92</sup> Les cent premiers jours, Saïd Mahrane, Le Point (Paris) 10 May 2007, pg. 51.

<sup>93</sup> Les cent premiers jours, Saïd Mahrane, Le Point (Paris) 10 May 2007, pg. 51.

<sup>94</sup> Statement by President Nicolas Sarkozy, 22 May 2007. Embassy of France in the United States.

<sup>95</sup> Le Point, 17 May 2007, pg. 28.

Ministers in Potsdam on 30 May 2007,<sup>96</sup> includes creating aid corridors into Darfur as one option. Another option could consist of airdrops for aid from Port Sudan. France itself is considering sending a force of up to 12, 000 troops to neighbouring Chad to provide for aid for people fleeing the conflict.<sup>97</sup>

France's objective when it comes to the escalating conflict in Sudan will be to secure agreement among G8 leaders for these proposals, or at the very least, establish plans for France to host a meeting of G8 foreign ministers plus China at the end of June with the purpose of further discussing the conflict. However, the international community's response to the conflict until now has been at an impasse due primarily to Russian and Chinese blocking of UNSC-proposed resolutions. Russia may therefore prove to be an obstacle to an effective harmonious agreement on the crisis in Darfur region, due to its economic and strategic interests in Sudan. Thus, at Heiligendamm, unless G8 leaders choose to issue a statement without Russian President Putin's agreement, success on the humanitarian disaster in Darfur will need Russia's support.

#### *Pushing for serious action on Iran*

Along with Britain and Germany, France has been involved in the past few years in negotiations with Iran over the development of its nuclear program. Finding a diplomatic solution regarding Iran's enrichment program has been difficult with few limited successes. This has led both President Sarkozy and his Foreign Minister M. Bernard Kouchner to criticize the soft position of the former government in favour of a tougher stance.<sup>98</sup> On 24 May 2007, Foreign Minister Kouchner confirmed France's concern about Iran's nuclear agenda, stating that, "Iran has not suspended her enrichment-related activities, but on the contrary has extended them... [and] that Iran has not cooperated satisfactorily with the [International Atomic Energy Agency]."<sup>99</sup> Mr. Kouchner further stated that "there is still time for Iran to suspend her enrichment-related activities. Otherwise, as provided for by UNSC Resolution 1747, we will have no choice but to press on at the Security Council."<sup>100</sup> In this case, the French policy will be to adopt new sanctions. Finally, Foreign Minister Kouchner noted that it was his intent to discuss the issue of Iran with his EU +3 colleagues at the G8 foreign ministers meeting<sup>101</sup> in Potsdam which took place 30 May 2007. At this meeting foreign ministers reiterated their profound concerns over the proliferation implications of the Iranian nuclear program, endorsed the statement made upon the adoption of UN Resolution 1747, urging Iran to comply with this and previous resolutions.<sup>102</sup>

France is likely to support economic sanctions;<sup>103</sup> however, it has dismissed the option of military intervention. Having said that the Iran dossier will be one of the first on his desk, it is highly likely that President Sarkozy will wish to discuss this issue.<sup>104</sup> Success on the issue for France would necessarily require serious and concrete proposals for action, ones involving a palatable agreement between the European Union, United States, and Russia.

#### *Peace and security in Lebanon*

Recent violence in Lebanon will be the principle regional security topic for France, particularly in view of its historic ties to the country. Violence in Lebanon seized the attention of G8 leaders at

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<sup>96</sup> France pushes for Relief Force in Darfur, France 24 Online, 2 June 2007. Date of Access: <http://www.france24.com/france24Public/en/news/world/20070602-france-darfur-chad.html>.

<sup>97</sup> France pushes for Relief Force in Darfur, France 24 Online, 2 June 2007. Date of Access: <http://www.france24.com/france24Public/en/news/world/20070602-france-darfur-chad.html>.

<sup>98</sup> Friend or Faux?, Olivier Roy, NY Times (New York), 15 May 2007.

<sup>99</sup> Statement by M. Bernard Kouchner, Minister of Foreign and European Affairs, Paris, 24 May 2007.

<sup>100</sup> Statement by M. Bernard Kouchner, Minister of Foreign and European Affairs, Paris, 24 May 2007.

<sup>101</sup> Statement by M. Bernard Kouchner, Minister of Foreign and European Affairs, Paris, 24 May 2007.

<sup>102</sup> G8 Foreign Ministers Meeting: Chair's Statement, G8 Foreign Ministers Meeting, Potsdam, 30 May 2007. Date of Access: 5 June 2007. <http://www.g8.utoronto.ca/foreign/formin070530.htm>.

<sup>103</sup> Friend or Faux?, Olivier Roy, NY Times (New York), 15 May 2007.

<sup>104</sup> Les cent premiers jours, Saïd Mahrane, Le Point (Paris) 10 May 2007, pg. 51.

last year's St. Petersburg conference.<sup>105</sup> On the recent escalation of violence, Foreign Minister Bernard Kouchner stated on 25 May 2007 that, "We're prepared to talk to all the leading figures and representatives of groups in favour of Lebanon's unity, autonomy, territorial integrity and the democracy taking root there...What we're seeking above all isn't to ostracize, separate, push anyone away, but on the contrary bring people closer together. Only, for the moment, the problem here is that bombs are being planted, and there's indiscriminate killing – district by district, community by community – of Lebanese in order to get the war to flare up again and chaos to re-emerge."<sup>106</sup> It is uncertain how high the Middle East will be on the agenda, as the weight given to these issues depends largely on the ground situation during the summit. Nevertheless, the leaders will attempt to foster a peaceful solution to hostilities should they continue.

**By: Héloïse Apésteguy-Reux**

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<sup>105</sup> Country Assessment Reports: France, 2006 St. Petersburg Summit, G8 Research Group (Toronto).

<sup>106</sup> Interview given by M. Bernard Kouchner, Minister of Foreign and European Affairs, to "Europe 1", (excerpts), Beirut, 25 May 2007. Embassy of France in the United States.

# Germany

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## Political Data

Chancellor of the Republic	Angela MERKEL
President of the Republic	Horst KOEHLER
Minister of Economics and Technology	Michael GLOS
Minister of Economic Cooperation & Development	Heidemarie WIECZOREK-ZEUL
Minister of Foreign Affairs	Frank-Walter STEINMEIER
Minister of Defence	Franz Josef JUNG
Minister of Finance	Peer STEINBRUECK
Minister of Health	Ulla SCHMIDT
Minister of Education and Research	Annette SCHAVAN
Minister of Environment, Nature Conservation & Nuclear Safety	Sigmar GABRIEL
Minister of Justice	Brigitte ZYPRIES
G8 Sherpa	Bernd PFAFFENBACH

## Government Structure

National Legislature: There are a total of 614 seats for Bundestag (Lower House); a party must win at least 5% of the national vote, or three mandates to gain representation.

Senate: The Bundesrat (Upper House) is unelected; members are determined by the composition of all, and any of the 16 state-level governments.

## Economic Data

GDP (PPP, 2006)	USD 2.585 trillion
GDP per capita (PPP, 2006)	USD 31,400
Budget	USD 1.277 trillion (revenues) USD 1.344 trillion (expenditures)
Current Account Balance	USD 134.8 billion
Recorded Unemployment	7.1% (note that the official German reported estimate is 10.8%)
Exchange Rate (Euro per USD, 16 May 2007)	1.35169
Foreign Aid (ODA, 1998)	USD 5.6 billion
Structure of Economy	0.3% Services, 28.6% Industry, 1.1% Agriculture
Export Value (2006)	USD 1.133 trillion
Import Value (2006)	USD 916.4 billion

### Main Exports (2005)

Motor vehicles (19.2%), Machinery (14.1%), Chemicals (13.1%), Metals (5.2%), Items for or Electrical Production (4.9%).

### Main Imports (2005)

Chemicals (11.3%), Motor vehicles (10.2%), Mineral oil and gas (8.3%), Machinery (6.7%), Computers (6.4%)

### Major Trading Partners (2005)

Exports: France 10.2%, US 8.8%, UK 7.9%, Italy 6.9%, Netherlands 6.1%, Belgium 5.6%, Austria 5.4%, Spain 5.1%

Imports: France 8.7%, Netherlands 8.5%, US 6.6%, China 6.4%, UK 6.3%, Italy 5.7%, Belgium 5%, Austria 4%

## Background

The upcoming Heiligendamm Summit will be an important occasion for Germany, which simultaneously holds the presidencies of both the G8 and the European Union. It will also be the first hosted by German Chancellor Angela Merkel, who attended her first summit alongside a number of G8 veterans last July in St. Petersburg. Since becoming Germany's first female chancellor in November 2005, Merkel has worked hard to firmly solidify her position.<sup>107</sup> Currently, Merkel is on secure footing on both the domestic and international level as she prepares to host the summit in June. Merkel is enjoying a relatively strong economy, international political success, and high approval ratings in voter opinion polls.<sup>108</sup> Merkel is therefore well positioned to pursue an agenda that not only addresses urgent global problems but one that reflects evolving German interests.

Merkel has substantially improved bilateral relations with the United States – a reality that may improve the Group's cohesion on some outstanding challenges; for example, in dealing with a nuclear Iran.<sup>109</sup> At the same time, relations with Russia have cooled, primarily because Germany leads the coalition to limit Europe's dependence on Russian energy imports.<sup>110</sup> At Heiligendamm, Merkel will push to seriously address a number of key intractable international issues, such as African development, climate change, growth and responsibility, and regional security. In displaying its political and economic clout, Germany can also advance its secondary goal of securing a seat at the UN Security Council table.

## Summit Objectives

### **Objective 1: African Development**

The 2007 Heiligendamm Summit, like its famous 2002 Kananaskis and 2005 Gleneagles predecessors, will have "a special focus on Africa."<sup>111</sup> Chancellor Merkel reaffirmed her intention to focus on African development on 12 May 2007 because "not only has the African Continent deserved the attention, but it is right and important that the world is engaged in helping the Africans for humanitarian reasons."<sup>112</sup> With regard to African development, Germany's main objective at Heiligendamm will be to revive dialogue on related, yet unmet commitments from Gleneagles. Merkel has attached particular importance to expanding dialogue between the G8 and Africa by seeking to build a partnership for reform, similar to the African Action Plan (AAP), which was adopted at Kananaskis. The AAP is the G8's response to the New Partnership for African Development Plan (NEPAD); a partnership plan designed by African leaders to promote economic development and political progress throughout the African continent.

The German presidency believes strongly that a reinvigorated policy approach is required to adequately address the problems faced by the Africa.<sup>113</sup> In view of the ambitious Gleneagles agenda on African development, there has been increased global pressure on G8 leaders to produce comparable development commitments at Heiligendamm. At Gleneagles, the G8 agreed to eliminate the debt of 18 qualifying poor countries and earmarked some USD25 million in

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<sup>107</sup> Country profile: Germany. BBC News, (London), 14 March 2007. Date of Access: 15 May 2007. [http://news.bbc.co.uk/2/hi/europe/country\\_profiles/1047864.stm](http://news.bbc.co.uk/2/hi/europe/country_profiles/1047864.stm).

<sup>108</sup> Germany, Country Report. EIU. (London) April 2007. Date of Access: 15 May 2007.

[http://portal.eiu.com.myaccess.library.utoronto.ca/report\\_dl.asp?issue\\_id=32095388&mode=pdf](http://portal.eiu.com.myaccess.library.utoronto.ca/report_dl.asp?issue_id=32095388&mode=pdf).

<sup>109</sup> Germany, Country Report. EIU. (London) April 2007. Date of Access: 15 May 2007.

[http://portal.eiu.com.myaccess.library.utoronto.ca/report\\_dl.asp?issue\\_id=32095388&mode=pdf](http://portal.eiu.com.myaccess.library.utoronto.ca/report_dl.asp?issue_id=32095388&mode=pdf).

<sup>110</sup> Germany, Country Report. EIU. (London) April 2007. Date of Access: 15 May 2007.

[http://portal.eiu.com.myaccess.library.utoronto.ca/report\\_dl.asp?issue\\_id=32095388&mode=pdf](http://portal.eiu.com.myaccess.library.utoronto.ca/report_dl.asp?issue_id=32095388&mode=pdf).

<sup>111</sup> Video-Podcast der Bundeskanzlerin. (Berlin). 12 May 2007. Date of Access: 15 May 2007.

<http://www.bundeskanzlerin.de/Content/DE/Podcast/2007-05-12-Video-Podcast-G8-Schwerpunkt-Afrika/links/2007-05-12-text,property=publicationFile.pdf>.

<sup>112</sup> Video-Podcast der Bundeskanzlerin. (Berlin). 12 May 2007. Date of Access: 15 May 2007.

<http://www.bundeskanzlerin.de/Content/DE/Podcast/2007-05-12-Video-Podcast-G8-Schwerpunkt-Afrika/links/2007-05-12-text,property=publicationFile.pdf>.

<sup>113</sup> Focuses of the German G8 Presidency. 18 October 2006. Date of Access: 15 May 2007. <http://www.g-8.de/Webs/G8/EN/G8Summit/Agenda/agenda.html>.

development assistance to African states.<sup>114</sup> Since then however, G8 attention on the issue of aid has waned. Thus the G8 faces most of its political opposition from private actors and non-governmental organization, which are critical of the G8's failure to properly tackle poverty in Africa.<sup>115</sup> Despite international expectations for a large G8 African aid pledge at Heiligendamm, Chancellor Merkel has repeatedly stated that leaders "do not need to set new goals to help the developing world but keep the promises they have already made."<sup>116</sup>

Germany has been rather critical of the traditional methods used in dealing with Africa's economic issues, including debt relief and official development assistance.<sup>117</sup> While these measures are publicly attractive policy options, neither loan packages nor debt cancellations have proven effective in fulfilling UN Millennium Development Goals (MDGs) on Africa. Instead, Germany advocates real economic reforms, including promoting economic growth through investment liberalization practices as an alternate means of remedying Africa's ever-mounting economic problems.<sup>118</sup> Merkel has maintained her decision to concentrate on economic responsibility. This decision marks a shift from the conventional debt relief paradigm espoused by the G8 at previous summits. Development aid to Africa, including the seemingly abandoned HIPC initiative will still be discussed at the Heiligendamm Summit, though no new aid packages can be expected. Instead, the focus of these discussions will revolve primarily around encouraging private investment and promoting best practices.

At the same time, Germany believes in deepening the G8's relationship with African nations. It is therefore highly likely that Germany draw on the AAP as a template for future G8 partnerships with African states. The Partnership for Reform is an important summit issue on the German agenda. Germany can be expected to persuade its counterparts to build new partnerships between G8 countries and African states. Each G8 member would essentially pair with an African state that has expressed a genuine commitment to liberal democratic principles of transparency, good governance, and sustainable development.<sup>119</sup> If Germany's plan for partnership with Africa is to work, African states will need to develop the infrastructures that encourage private investment.<sup>120</sup> In promoting these partnerships, the German presidency seeks to create international confidence over Africa's future.

Germany's initiative for good governance, sustainable investment and peace and security, which are sure to reignite the momentum on African issues, will likely be welcomed by most G8 member states. This is particularly true, as success on African development would offset perceived shortcomings and the expected superficial results of upcoming G8 deliberations on climate change. It is worth noting though that Merkel's Partnership for Reform might prove to be too ambitious for some G8 countries, while not ambitious enough for African states and NGOs. Although Germany faces some difficulty in pushing through all the objectives under the broad scope of Africa, the June G8 summit in Heiligendamm is expected to produce a new plan for the reform of sub-Saharan Africa. At a minimum, a successful conclusion to G8 talks on African development would require members to reassert earlier commitments on the issue.

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<sup>114</sup> Eyal, Jonathan, "Bush and G-8: Expect just a veneer of progress," Strait Times Europe Bureau, (London), 4 June 2007. Date of Access: 5 June 2007.

<sup>115</sup> Eyal, Jonathan, "Bush and G-8: Expect just a veneer of progress," Strait Times Europe Bureau, (London), 4 June 2007. Date of Access: 5 June 2007.

<sup>116</sup> Merkel Pledges to Keep Africa on International Agenda, Deutschce Welle, (Berlin), 24 April 2007. Date of Access: 5 June 2007.

<sup>117</sup> Growth and Responsibility - Leitmotif for Germany's G8 Presidency. Bundesregierung. January 2007. Date of Access: 15 May 2007. <http://www.g-8.de/Content/EN/Artikel/2007/03/Anlagen/2007-03-01-g8-schlaglichter-en,property=publicationFile.pdf>.

<sup>118</sup> Growth and Responsibility - Leitmotif for Germany's G8 Presidency. Bundesregierung. January 2007. Date of Access: 15 May 2007. <http://www.g-8.de/Content/EN/Artikel/2007/03/Anlagen/2007-03-01-g8-schlaglichter-en,property=publicationFile.pdf>.

<sup>119</sup> Vertrauliches Programm fuer den Weltwirtschaftsgipfel 2007. Sueddeutsche Zeitung. 15 October 2006. Date of Access: 15 May 2007. [www.sueddeutsche.de/wirtschaft/artikel/758/88670/](http://www.sueddeutsche.de/wirtschaft/artikel/758/88670/).

<sup>120</sup> Focuses of the German G8 Presidency. (Berlin), 18 October 2006. Date of Access: 15 May 2007. <http://www.g-8.de/Webs/G8/EN/G8Summit/Agenda/agenda.html>.

## **Objective 2: Climate Change**

Given the long-term importance of the issue, climate changes promises to be high on Germany's list of summit priorities at Heiligendamm. There also exists much international pressure for a solid G8 commitment on the issue, which received considerable attention at the 2005 Gleneagles Summit. At Gleneagles, the G8 leaders committed to "tackling climate change, promoting clean energy and achieving sustainable development."<sup>121</sup> The leaders also pledged to take urgent action on advocating the principles of the UN Framework Convention on Climate Change and in supporting the Kyoto Protocol.<sup>122</sup> Agreements on climate change at Gleneagles however required some political maneuvering between G8 leaders, specifically in regard to the United States' position on Kyoto. The United States officially acknowledged climate change as a reality, but did not give any support to the Kyoto agreement.<sup>123</sup>

In response to the UN Intergovernmental Panel on Climate Change report, Merkel commented that, "This report confirms that climate change is a fact [...] I will raise the issue at the G8 summit in Heiligendamm in June and my aim is to make all nations take responsibility for climate protection."<sup>124</sup> However, it is doubtful that she will have much success in pushing forward any kind of agreement on Kyoto at the summit. Although there is nearly unanimous consensus between G8 leaders on the scientific evidence surrounding the effects of greenhouse gas emissions, Germany will have limited success in altering the American position on the Kyoto Protocol to reduce emissions. The Americans continue to maintain the position that the Protocol is flawed because it unfairly places the burden of responsibility on the shoulders of the developed world, while overlooking emerging developing powerhouses and high polluters, such as India and China.

Climate change will therefore be a contentious issue at the summit, as both the United States and Canada have articulated positions rejecting the Kyoto Protocol. The United States in particular poses the greatest obstacle to any kind of concrete agreement on mitigating the effects of climate change. Besides having refused to ratify the Kyoto agreement, Washington is leading several countries, including Canada, to reject German attempts to set firm targets and reduction deadlines.<sup>125</sup> Despite this, Germany can be expected to push for mandatory caps on green house gas emissions at Heiligendamm. Indeed, Germany is expected to go even further by seeking to limit world temperature increases and by drastically cutting emissions by 2050.<sup>126</sup>

However, there seems to be some hope for a collective G8 agreement on climate change, though it will probably lack the substance and tone that Chancellor Merkel seeks to attain. Prompted by overwhelming international pressure to act on climate change, President George W. Bush stated that, "by the end of next year, America and other nations will set a long-term global goal for reducing greenhouse gases."<sup>127</sup> In response to President Bush's latest initiative to mitigate climate change through technological advances, French President Nicolas Sarkozy commented that, "It is not possible. It is not even in the interest of the United States. I don't say this in an aggressive way, but because I believe it profoundly."<sup>128</sup>

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<sup>121</sup> Gleneagles Official Documents: Chair's Summary, G8 Research Group, (Toronto), 8 July 2005. Date of Access: 5 June 2007. <http://www.g8.utoronto.ca/summit/2005gleneagles/summary.html>.

<sup>122</sup> Gleneagles Official Documents: Chair's Summary, G8 Research Group, (Toronto), 8 July 2005. Date of Access: 5 June 2007. <http://www.g8.utoronto.ca/summit/2005gleneagles/summary.html>.

<sup>123</sup> The specific text of the Chair's Statement read: "Those of us who have ratified the Kyoto Protocol remain committed to it...". It thus excuses the United States from Kyoto obligations.

<sup>124</sup> Merkel says UN report shows need for action of climate change. Agence France Presse. 6 April 2007. Date of Access: 7 April 2007.

<sup>125</sup> Lowell, Jeremy, "London March Urges G8 action on debt, climate," Reuters News, ( ) 2 June 2007. Date of Access: 5 June 2007.

<sup>126</sup> Crutsinger, Martin, A look at the strategies G-8 leaders will be pursuing at summit in Germany, Associated Press Newswires, 4 June 2007.

<sup>127</sup> Germany to push climate change goal at G8 summit, Agence France Presse, 2 June 2007

<sup>128</sup> Sarkozy says Bush climate proposals 'not sufficient', Agence France Press, (Paris), 4 June 2007.

In addition, Chancellor Merkel has stated that the terms of the Kyoto Protocol are not negotiable, and that the target deadline of 2012 remains.<sup>129</sup>

Thus, success on climate change will have to occur outside of talks on Kyoto. That is, if success entails American support. With all the European members including even Japan in favour, Heiligendamm might produce an agreement in support of the Kyoto Protocol, even if the United States abstains. There is effectively little overlap between the American and the German positions, with the United States' unequivocally rejecting Kyoto and Germany, in turn, refusing to approach climate change outside of the already established UN framework.<sup>130</sup> Sustainable resource use though stands to become an alternate matter on which the majority of G8 leaders can agree. However, even if Germany is unable to strike a deal in support of Kyoto, Merkel's apparent dedication and commitment to climate change will certainly bolster her profile.

### **Objective 3: Growth and Responsibility**

Having declared "Growth and Responsibility" as one of the twin focuses of the Heiligendamm Summit, Chancellor Merkel is directing the focus of the G8 toward the problems presented by a rapidly globalizing world economy.<sup>131</sup> The German government is fairly optimistic about its prospective agenda, stating that, "the responsibility for vitality and economic development can now be borne on more shoulders than before" and that "high and sustained growth rates of the global economy benefit both industrial and developing countries."<sup>132</sup> At Heiligendamm, the German G8 Presidency will want to send a clear signal in support of a liberal and open global economic system. Arguing that economic growth must be shaped in a manner that is fair and equitable, Chancellor Merkel has said that policymakers could no longer ignore the immediate consequences of globalization.<sup>133</sup> Consequently, the transparency of international capital markets or, Hedge Funds is an issue that Chancellor Merkel will want to push at Heiligendamm.<sup>134</sup>

With the announced focus on the issues of growth and responsibility, the German presidency is returning the G8's focus on its original global economic roots.<sup>135</sup> On 15 March 2007, German Finance Minister Peer Steinbrueck insisted that the addition of hedge funds to the Heiligendamm Summit agenda was not an attempt to establish an international organization aimed at their regulation, but rather to create financial transparency so as to prevent potential financial crises, protect investors, and maintain market integrity.<sup>136</sup> This followed Chancellor Merkel's remarks at the Davos World Economic Forum on 24 January 2007, where she revealed her intention to "minimize the international capital market's systemic risks while increasing their transparency." She further stated, "Let me make it very clear that I see much room for improvement, especially regarding hedge funds."<sup>137</sup> Germany's Sherpa Bernd Pfaffenbach has also broached the issue, saying that, "I expect a specific G8 recommendation for the first time against double regimes

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<sup>129</sup> Benoit, Bertrand, Merkel Won't Bend at the Summit, The St. Petersburg Times, (St. Petersburg), 5 June 2007.

<sup>130</sup> Benoit, Bertrand, Merkel Won't Bend at the Summit, The St. Petersburg Times, (St. Petersburg), 5 June 2007.

<sup>131</sup> Growth and Responsibility - Leitmotif for Germany's G8 Presidency. Bundesregierung. January 2007. Date of Access: 15 May 2007. <http://www.g-8.de/Content/EN/Artikel/2007/03/Anlagen/2007-03-01-g8-schlaglichter-en,property=publicationFile.pdf>

<sup>132</sup> Growth and Responsibility - Leitmotif for Germany's G8 Presidency. Bundesregierung. January 2007. Date of Access: 15 May 2007. <http://www.g-8.de/Content/EN/Artikel/2007/03/Anlagen/2007-03-01-g8-schlaglichter-en,property=publicationFile.pdf>.

<sup>133</sup> Growth and Responsibility - Leitmotif for Germany's G8 Presidency. Bundesregierung. January 2007. Date of Access: 15 May 2007. <http://www.g-8.de/Content/EN/Artikel/2007/03/Anlagen/2007-03-01-g8-schlaglichter-en,property=publicationFile.pdf>.

<sup>134</sup> Bis zur letzten minuten, Interview with Angela Merkel, Die Spiegel, (Hamburg), 4 June 2007.

<sup>135</sup> Germany wants G8 to go back to roots, tackle world's economic problems. Agence France Presse. 27 December 2006. Date of Access: 7 April 2007.

<sup>136</sup> Germany pressing ahead on hedge funds but plan by summer could be elusive, Associated Press Newswires, (Washington DC), 15 March 2007. Date of Access: 16 May 2007. <http://www.g7.utoronto.ca/evaluations/2007heilgendamm/2007agenda.html>.

<sup>137</sup> Opening Address by Angela Merkel, Chancellor of the Federal Republic of Germany, at the World Economic Forum on 24 January 2007 in Davos (transcript), translation, World Economic Forum, (Davos), 24 January 2007. Date of Access: 2 May 2007. [http://www.weforum.org/pdf/AM\\_2007/merkel.pdf](http://www.weforum.org/pdf/AM_2007/merkel.pdf).

where investment by foreign companies is discriminated against compared with domestic investment.<sup>138</sup>

Although Germany wishes to make hedge funds an important issue at the summit, it faces stiff opposition from both the United Kingdom and the United States, where the majority of hedge funds are based.<sup>139</sup> As a result, Chancellor Merkel has reportedly dropped a proposal to establish a global database of hedge fund holdings from the summit agenda.<sup>140</sup> It is reported however that the United Kingdom plans to propose an international monitoring system to detect any threat to the financial system from hedge funds.<sup>141</sup> Chancellor Merkel has indicated that, on the issue of hedge funds, there is little flexibility in the German position at the Heiligendamm Summit. Instead, if Germany cannot find success at Heiligendamm, it will continue to pursue transparency of hedge funds in the post-summit part of its G8 presidency.

With little consensus among G8 partners, and Germany's isolated but entrenched position on the matter, prospects for any sort of G8 agreement at Heiligendamm for Germany are slim. Such a success would necessarily entail a consensus on moving forward with the governance or regulation of hedge funds.

#### **Objective 4: Regional Security**

Germany has expressed a great concern over the issue of non-proliferation, particularly with regards to Iran's uranium enrichment program. As such, Germany has taken a leading role through its position on the EU-3, alongside the United Kingdom and France, to curb Iran's nuclear ambitions.<sup>142</sup> Germany will take advantage of its simultaneous EU and G8 presidencies this year to influence Tehran. The G8 meeting in Heiligendamm will thus act as the appropriate forum to address the threats presented by security developments in the Middle East.<sup>143</sup>

Iran, however, a signatory to the Non-Proliferation Treaty, denies that its nuclear program is a threat. Iran has repeatedly maintained that its activities are peaceful in nature, and aimed at producing sustainable energy. Germany has made several attempts to enter into negotiations with Iran, even offering Iran a Western incentive package in exchange for its suspension of the nuclear program.<sup>144</sup> The issue of Iran's nuclear program is likely to dominate summit talks concerning non-proliferation, terrorism, and regional security.

At Heiligendamm, the leaders of the G8 countries will likely discuss new methods of persuading Iran to halt its nuclear enrichment activities. It can be expected that the United States will want to fashion a common G8 document condemning Tehran's nuclear agenda.<sup>145</sup> With the firm support of both France and the United Kingdom, the United States will seek to implement new sanctions against Tehran.<sup>146</sup> However, Russia has repeatedly rejected punitive measures against Iran, where it has many economic interests. Italy has also refused to sign onto any aggressive

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<sup>138</sup> Berlin presses for emerging nation's role at G8 summit. Financial Times. 10 April 2007. FT.com site

<sup>139</sup> Growth and Responsibility - Leitmotif for Germany's G8 Presidency. Bundesregierung. January 2007. Date of Access: 15 May 2007. <http://www.g-8.de/Content/EN/Artikel/2007/03/Anlagen/2007-03-01-g8-schlaglichter-en,property=publicationFile.pdf>

<sup>140</sup> Hedge funds survey reveals lower gearing, Financial Times, (London), 1 May 2007. Date of Access: 17 May 2007. <http://www.ft.com/cms/s/0a163ede-f937-11db-9b6b-000b5df10621.html>.

<sup>141</sup> Hedge funds survey reveals lower gearing, Financial Times, (London), 1 May 2007. Date of Access: 17 May 2007. <http://www.ft.com/cms/s/0a163ede-f937-11db-9b6b-000b5df10621.html>.

<sup>142</sup> Timeline: Iran Nuclear Crisis, Fox News Online, 31 August 2006. Date of Access: 25 May 2007. <http://www.foxnews.com/story/0,2933,211517,00.html>.

<sup>143</sup> Bhatti, Jabeen, "German G8 Presidency: Changes in Style and Substance," Deutsche Welle, (Berlin), 19 July 2006. Date of Access: 23 July 2006. [www.dw-world.de/dw/article/0,2144,2103556,00.html](http://www.dw-world.de/dw/article/0,2144,2103556,00.html).

<sup>144</sup> Timeline: Iran Nuclear Crisis, Fox News Online, 31 August 2006. Date of Access: 25 May 2007. <http://www.foxnews.com/story/0,2933,211517,00.html>.

<sup>145</sup> Tran, Mark, Iran 'three to eight years' from nuclear weapon, Guardian Unlimited, (Manchester), 24 May 2007. Date of Access: 24 May 2007. <http://www.guardian.co.uk/iran/story/0,,2087272,00.html>.

<sup>146</sup> Charbonneau, Louis, G8 to back further measures against Iran: diplomats, Reuters, (Berlin), 8 May 2007. Date of Access: 24 May 2007. <http://www.iranfocus.com/modules/news/article.php?storyid=11157>.

settlement on Iran.<sup>147</sup> As a close American ally, Merkel will likely work to resolve any disagreement between the United States and other G8 members that would prevent a united statement against Iran. Alarmed by rising violence in Lebanon and flaring instability in Iraq, the G8 leaders will probably be prompted to hold serious discussions on security in the Middle East. A consensus agreement on Iran's nuclear enrichment program can be expected, however broad. Success on this issue however ultimately means persuading the Iranians to suspend enrichment and comply with UN resolutions.<sup>148</sup>

### **Objective 5: UN Reform**

Discussed extensively at the 1996 Lyon Summit and the 1997 G8 Denver Summit where the G8 leaders pledged to "help develop the capacities of the UN," the movement for reforming the United Nations has long been on the international policy table.<sup>149</sup> While Germany has not publicly announced UN reform as central summit priority, the debate will certainly appear in summit talks, particularly as Germany has been actively involved in advocating for UN Security Council reforms.

Since UN membership dues are calculated based on a percentage of a state's gross national product (GNP), the rich industrialized G8 countries foot a considerable share of the bill.<sup>150</sup> This reality has prompted Germany, along with France, the United Kingdom, and Russia, to call for representation proportional to their financial and political contributions. If the UN is to remain relevant, it must expand both permanent and non-permanent seats to better reflect the large membership of the General Assembly. The G8, which includes four of the Permanent-Five members, is the ideal forum for a debate on UNSC reform. However, without the approval of the veto-wielding Chinese, who refuses to support either Japan or Germany, little progress can be made on the issue at the summit.<sup>151</sup>

Certainly, if the UN is ever to meet its 2015 Millennium Goals, a serious transformation in the structure of the UN system will be necessary. Nevertheless, UN Security Council reform is only one aspect of UN reform. Other areas in need of reform include the budget process and administrative practices. While there will be some support for financial reforms, the majority of the G8 states are lukewarm on the subject of UNSC reform. Any kind of agreement to implement changes to the Security Council will likely be modest.

**By: Sandro Gianella and Susan Khazaeli**

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<sup>147</sup> Italy backs Iran's nuclear bid if peaceful, The Daily Telegraph, (Australia), 31 August 2006. Date of Access: 24 May 2007. <http://www.freerepublic.com/focus/f-news/1694293/posts>.

<sup>148</sup> Charbonneau, Louis, G8 to back further measures against Iran: diplomats, Reuters, (Berlin), 8 May 2007. Date of Access: 24 May 2007. <http://www.iranfocus.com/modules/news/article.php?storyid=11157>.

<sup>149</sup> Denver Communiqué, G8 Research Group, (Toronto), 22 June 1997. Date of Access: 24 May 2007. <http://www.g8.utoronto.ca/summit/1997denver/g8final.htm>.

<sup>150</sup> Is the United Nations Good Value for the Money?, United Nations, (New York), Date of Access: 27 May 2007. [www.un.org/geninfo/ir/index.asp?id=150](http://www.un.org/geninfo/ir/index.asp?id=150).

<sup>151</sup> China, Russia back India for Security Council seat, The Hindu News Online, 3 June 2005. Date of Access: 27 May 2007. <http://www.hindu.com/2005/06/03/stories/2005060304901200.htm>.

# Italy

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## Political Data

President	Giorgio Napolitano
Prime Minister	Romano Prodi
Minister of Finance	Tommaso Padoa-Schioppa
Minister of Foreign Affairs	Massimo D'Alema
Minister of International Trade	Emma Bonino
Minister of Defence	Arturo Parisi
Minister of Economic Development	Pier Luigi Bersani
Minister of Environment	Alfonso Pecoraro Scanio
Minister of Health	Livia Turco
Minister of Justice	Clemente Mastella
Minister of Labour	Cesare Damiano
Central Bank Governor	Mario Draghi (2007)
G8 Sherpa	Stefano Sannino

## Government Structure

Bicameral parliament consisting of a 630-member Chamber of Deputies, elected by popular vote with the winning national coalition receiving 54% of chamber seats, and a 315-member Senate, elected by proportional vote with the winning coalition in each region receiving 55% of seats.

## Economic Data<sup>152</sup>

GDP (purchasing power parity)	USD 1,727 trillion (2006 est.)
GDP – per capita (purchasing power parity)	USD 29,700 (2006 est.)
GDP – real growth rate	1.6% (2006 est.)
Unemployment rate	7.0% (2006 est.)
Rate of exchange	1 EUR = 1.255 (2006) USD
One USD	0.7964 EUR (2006)
Economic aid – donor ODA	\$1 billion (2002 est.)
Exports	25.4 (% of GDP)
Exports USD	450.1 billion (2006 est.)
Imports USD	445.6 billion (2006 est.)

## Major Exports (2005)

Engineering products, textiles and clothing, production machinery, motor vehicles, transport equipment, chemicals; food, beverages and tobacco; minerals, and nonferrous metals

## Major Imports (2005)

Engineering products, chemicals, transport equipment, energy products, minerals and nonferrous metals, textiles and clothing; food, beverages, and tobacco

## Main trading partners

Exports: Germany 13.2%, France 12.3%, US 8%, Spain 7.5%, UK 6.6%<sup>153</sup>

Imports: Germany 17.4%, France 10%, Netherlands 5.7%, China 4.6%, Belgium 4.5%, Spain 4.3%, UK 4% (2005)<sup>154</sup>

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<sup>152</sup> Central Intelligence Agency, Italy, The World Factbook, (Washington D.C.) 10 May 2007. Date of Access: 16 May 2007. <http://www.cia.gov/library/publications/the-world-factbook/geos/it.html>.

<sup>153</sup> Central Intelligence Agency, Italy, The World Factbook, (Washington D.C.), 10 May 2007. Date of Access: 16 May 2007. <http://www.cia.gov/library/publications/the-world-factbook/geos/it.html>.

<sup>154</sup> Central Intelligence Agency, Italy, The World Factbook, (Washington D.C.), 10 May 2007. Date of Access: 16 May 2007. <http://www.cia.gov/library/publications/the-world-factbook/geos/it.html>

## Background

Prime Minister Romano Prodi, in power for just over one year, will be leading his country to the summit at Heiligendamm. He attended the July 2006 St. Petersburg Summit two months after being narrowly elected Prime Minister in May of 2006. His experience is vast as he previously governed Italy (1996-1998) and served as President of the European Commission (1994-2004).

Prime Minister Prodi's Unione Coalition narrowly won the general election in 2006, finishing with a comfortable majority in the Chamber of Deputies (the lower house of parliament), but just a two-seat advantage in the senate (the upper house).<sup>155</sup> In October/November, this slim majority became nonexistent when two senators from the Unione coalition withdrew. As a result, Prime Minister Prodi must now rely on the support of the opposition, independents or the majority of seven life senators in order to achieve his goals.<sup>156</sup>

In February, Prime Minister Prodi was forced to resign as Prime Minister after a defeat of the government on a foreign policy vote in the senate. He returned to power after he won a vote of confidence a few days later. Domestically, foreign policy continues to be a controversial topic.<sup>157</sup>

Political instability is compounded by the risk of renewed fiscal deterioration. Reluctance to cut spending and pressure to lower taxes will exacerbate deficit reductions and growth of the GDP. A steady slowdown in GDP growth (from 1.9% to 1.4%) is expected for 2008, though this is still slightly improved from the levels of a few years ago when it sat at 0.2% in 2005.<sup>158</sup> Efforts to combat this trend are difficult as a result of Prime Minister Prodi's fragile majority and the disproportionate influence of some parties within the Unione coalition to prevent the adoption of measures to reduce current spending.<sup>159</sup>

In light of its declining contribution to the world economy relative to other countries,<sup>160</sup> Prodi is acting on multiple fronts to bolster its position in the G8 in anticipation of the 2009 G8 Summit to be held in Italy. Former Prime Minister Silvio Berlusconi focused on bilateral relationships contrary to Prodi, who maintains a "commitment to European integration."<sup>161</sup> As a strong Atlanticist and former EU Commission President, he hopes to reaffirm Italy's commitment to the traditional alliance and strengthen US ties via Brussels as a means to restore Italy's relevance.<sup>162</sup> As such, Italy will likely seek out discussions and agreements with its European counterparts on G8 issues. Foreign Affairs Minister Massimo D'Alema stated recently, "We are working hard on strengthening the united Europe...and the relationship we wish to construct with the US is one within the framework of relations between the European Union and the USA...I am convinced that the trans-Atlantic bridge is anchored in Brussels".<sup>163</sup>

Relations between Italy and the US have been strained due to recent events including the shooting death of an Italian secret service agent by American troops during the freeing of an Italian journalist held hostage in Iraq<sup>164</sup> as well as Italy's decision to charge 26 CIA officials in connection

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<sup>155</sup> Politics: Important recent events, Geographic Overview, Italy, Economist Intelligence Unit, (London), 1 June 2007.

<sup>156</sup> Italy: Country Outlook, Economist Intelligence Unit, (London), 1 January 2007.

<sup>157</sup> Italy: Key Developments, Economist Intelligence Unit, (London), 26 March 2007.

<sup>158</sup> Italy: Key Developments, Economist Intelligence Unit, (London), 26 March 2007.

<sup>159</sup> Politics: Recent political developments, Geographic Overview, Italy, Economist Intelligence Unit, (London), 26 March 2007.

<sup>160</sup> Are the Right Countries Sitting at the G8 Table? Deutsche Well, (Germany), 14 May 2007. Date of Access: 16 May 2007. <http://www.dw-world.de/dw/article/0,2144,2513781,00.html>.

<sup>161</sup> Italy: Country Outlook, Economist Intelligence Unit, (London), 1 January 2007. Date of Access: 17 May 2007.

<sup>162</sup> Politics: International relations and defense, Italy Country Profile, Economist Intelligence Unit.

<sup>163</sup> Italy's interests and strategies, Oggi7, (City), 24 September 2006. Date of Access: 17 May 2007. [http://www.esteri.it/eng/6\\_38\\_90\\_01.asp?id=2660&mod=2&min=1](http://www.esteri.it/eng/6_38_90_01.asp?id=2660&mod=2&min=1).

<sup>164</sup> Politics: International relations and defense, Italy Country Profile, Economist Intelligence Unit.

with the arrest of a Muslim cleric in Milan who wound up facing torture in an Egyptian jail.<sup>165</sup> Furthermore, although Italy, under Berlusconi, was a member of the coalition of countries who entered Iraq with the United States, the war is highly unpopular among the general population. Before the end of his leadership, Berlusconi indicated that he would pull troops out of Iraq by 2008. Prime Minister Prodi has indicated a similar timeline while still attempting to find a way to support the newly elected Iraqi government.<sup>166</sup> The presidents of Italy and the United States will meet in June 2007 following the summit.<sup>167</sup>

Recently, Italy and Japan have taken steps to cooperate on long-term issues, looking ahead to the G8 meetings in Japan in 2008 and in Italy in 2009.<sup>168</sup> During a recent visit to Japan (April 2007), Prime Minister Romano Prodi indicated that he favoured cooperation with Japan to develop long-term approaches to key issues facing the G8 countries.

## Summit Objectives

### **Objective 1: Middle East**

Middle East tensions are an area of interest to Italy and will likely be discussed at the summit. Italy has a unique relationship with the region as a result of its economic ties with multiple countries including Iran and Lebanon. In particular, bilateral trade with Iran tops €5 billion annually<sup>169</sup> and in the past, Prime Minister Prodi has indicated that they are trading partner number one.<sup>170</sup> Thus, they possess a distinctive position amongst G8 countries to address the situation and, as such, are willing to play a constructive role in future negotiations.<sup>171</sup> Their leadership during the Israeli-Palestinian conflict in particular demonstrates their willingness and ability to do so.<sup>172</sup>

It can be expected that Prime Minister Prodi will aim to have the G8 agree to a statement on Lebanon that would recognize the need for stabilization and reconstruction efforts to continue within the country. Furthermore, Prodi may want to push for G8 recognition of the crucial role that Lebanon's neighbours in the Middle East can play in mitigating tensions within the country. In a recent meeting, Foreign Affairs Minister D'Alema indicated that Italy intends to facilitate inclusive negotiations with Syrian participation to encourage the Syrian government to commit itself to regional peace and stability, particularly with respect to Syrian-Lebanese relations, the domestic political crises in Lebanon, the Israeli-Palestinian peace process and the pacification and stabilization of Iraq.<sup>173</sup> Minister D'Alema will also visit Beirut to demonstrate Italy's support for the Lebanese people and their government, as well as to encourage all parties to transcend divisiveness and reach a solution based on compromise, in order to avoid a radicalization of the

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<sup>165</sup> A poor excuse for Italy's turmoil, *Globe and Mail*, (Toronto), 3 March 2007. Date of Access: 26 May 2007. <http://www.theglobeandmail.com/servlet/story/LAC.20070303.ITALY03/PPVStory/?DENIED=1%pageRequested=1>].

<sup>166</sup> Politics: International relations and defense, Geographic Profile, Italy Country Profile, Economist Intelligence Unit.

<sup>167</sup> Bush to visit Rome, *Agence France Presse*, (Paris), 19 April 2007. Date of Access: 16 May 2007. [http://rawstory.com/news/afp/Bush\\_to\\_visit\\_Rome\\_amid\\_strained\\_US\\_04192007.html](http://rawstory.com/news/afp/Bush_to_visit_Rome_amid_strained_US_04192007.html).

<sup>168</sup> Italy, Japan say G8 to focus on Africa, global warming, *Daily Times*, (Pakistan), April, 2007. Date of Access: 16 May 2007. [http://www.dailytimes.com.pk/default.asp?page=2007%5C04%5C17%5Cstory\\_17-4-2007\\_pg5\\_34](http://www.dailytimes.com.pk/default.asp?page=2007%5C04%5C17%5Cstory_17-4-2007_pg5_34).

<sup>169</sup> Iran: D'Alema - Tehran does not seem close to having nukes, *Agenzia Giornalistica Italia*, (Rome), 22 June 2006. Date of Access: <http://www.agi.it/english/news.pl?doc=200606221224-1071-RTI-CRO-0-NF82&page=0&id=agionline-eng.italyonline>.

<sup>170</sup> Vladimir Putin Passes the Energy Charter, *Kommersant*, (Moscow), 21 June 2006. Date of Access: 17 April 2007. <http://www.kommersant.com/page.asp?idr=527&id=684022>.

<sup>171</sup> Iran: D'Alema - Tehran does not seem close to having nukes, *Agenzia Giornalistica Italia*, (Rome), 22 June 2006. Date of Access: 17 April 2007. <http://www.agi.it/english/news.pl?doc=200606221224-1071-RTI-CRO-0-NF82&page=0&id=agionline-eng.italyonline>.

<sup>172</sup> Italy's interests and strategies, *Oggi7*, (City), 24 September 2006. Date of Access: 17 May 2007. [http://www.esteri.it/eng/6\\_38\\_90\\_01.asp?id=2660&mod=2&min=1](http://www.esteri.it/eng/6_38_90_01.asp?id=2660&mod=2&min=1).

<sup>173</sup> Visita in Siria e Libano. Ministero Degli Affari Esteri, (Roma), 4 Aiuno 2007. Date of Access: 4 June 2007. [http://www.esteri.it/ita/0\\_1\\_01.asp?id=2028](http://www.esteri.it/ita/0_1_01.asp?id=2028).

domestic political conflict, which negatively affected not only Lebanon's stability, but that of the whole region.<sup>174</sup>

### **Objective 2: Russia**

On the issue of Russia and missile defense, and in particular some of the comments made by Vladimir Putin recently, Foreign Affairs Minister D'Alema has suggested that the G8 member countries should approach the issue sensitively.<sup>175</sup> This issue is of particular importance to Italy as a significant amount of their energy imports come from Russia, and Italy is vulnerable to any shocks in the system or price fluctuations. This was demonstrated when Italy's supply of natural gas was severely and suddenly strained when the Russian government froze supplies to Ukraine and consequently most of Western Europe in early 2006.<sup>176</sup>

Regarding the recent controversial comments made by Vladimir Putin, it is expected that Italy will be in line with other G8 countries in denouncing them. It is expected that Italy will contribute to the effort to normalize the US position before seeking a comprehensive strategy. If this occurs and a cohesive EU position is developed, this will lay the groundwork for a comprehensive, multilateral partnership. Italy hopes to utilize previously existing dialogue channels, such as the NATO-Russia Council, in order to achieve this.<sup>177</sup> This is in line with their position on the Middle East situation in that they hope to encourage a multilateral solution to achieve success.

### **Objective 3: Climate Change**

While not their primary priority, Italy is seeking convergence on the issue of climate change and energy security.<sup>178</sup> More specifically, Minister D'Alema has voiced a preference that the United States should adopt a more open stance on climate change and for India and China to accept a post-Kyoto agreement.<sup>179</sup> At the Heiligendamm Summit, Italy will likely seek a shared commitment on climate change and work towards finding a middle ground between the US and EU proposals as well as support movement towards a post-Kyoto agreement. This will likely be difficult given the divergence between the positions of the US and the EU.

**By: Kathryn Kinley**

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<sup>174</sup> Visita in Siria e Libano. Ministero Degli Affari Esteri, (Roma), 4 Aiuano 2007. Date of Access: 4 June 2007. [http://www.esteri.it/ita/0\\_1\\_01.asp?id=2028](http://www.esteri.it/ita/0_1_01.asp?id=2028).

<sup>175</sup> I Address by Minister Massimo D'Alema at the Workshop 2007 of the Council for Relations between Italy and the United States, Office of the Minister of Foreign Affairs, (Venice), 28 May 2007. Date of Access: 23 May 2007. [http://www.esteri.it/eng/6\\_38\\_227\\_01.asp?id=3032&mod=3&min=1](http://www.esteri.it/eng/6_38_227_01.asp?id=3032&mod=3&min=1).

<sup>176</sup> Italy hit by Russian gas shortage, BBC News, (London), 18 January 2006. Date of Access: 17 May 2007. <http://news.bbc.co.uk/2/hi/business/4625092.stm>.

<sup>177</sup> Address by Minister Massimo D'Alema at the Workshop 2007 of the Council for Relations between Italy and the United States, Office of the Minister of Foreign Affairs, (Venice), 28 May 2007. Date of Access: 23 May 2007. [http://www.esteri.it/eng/6\\_38\\_227\\_01.asp?id=3032&mod=3&min=1](http://www.esteri.it/eng/6_38_227_01.asp?id=3032&mod=3&min=1).

<sup>178</sup> Address by Minister Massimo D'Alema at the Workshop 2007 of the Council for Relations between Italy and the United States, Office of the Minister of Foreign Affairs, (Venice), 28 May 2007. Date of Access: 23 May 2007. [http://www.esteri.it/eng/6\\_38\\_227\\_01.asp?id=3032&mod=3&min=1](http://www.esteri.it/eng/6_38_227_01.asp?id=3032&mod=3&min=1).

<sup>179</sup> Address by Minister Massimo D'Alema at the Workshop 2007 of the Council for Relations between Italy and the United States, Office of the Minister of Foreign Affairs, (Venice), 28 May 2007. Date of Access: 23 May 2007. [http://www.esteri.it/eng/6\\_38\\_227\\_01.asp?id=3032&mod=3&min=1](http://www.esteri.it/eng/6_38_227_01.asp?id=3032&mod=3&min=1).

# Japan

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## Political Data<sup>180</sup>

Head of State	Emperor AKIHITO
Head of Government, Prime Minister	Shinzo ABE
Chief Cabinet Secretary	Yasuhisa SHIOZAKI
Minister of Agriculture, Forestry & Fisheries	Toshikatsu MATSUOKA
Minister of State for Defense	Fumio KYUMA
Minister of Economy, Trade & Industry	Akira AMARI
Minister of Education, Culture, Sports, Science & Technology	Bunmei IBUKI
Minister of Environment	Masatoshi WAKABAYASHI
Minister of Finance	Koji OMI
Minister of Foreign Affairs	Taro ASO
Minister of Health, Labour & Welfare	Hakuo YANAGISAWA
Minister of Internal Affairs and Communications	Yoshihide SUGA
Minister of Justice	Jinen NAGASE
Minister of Land, Infrastructure & Transport	Tetsuzo FUYUSHIBA
G8 Sherpa	Masaharu Kohno

## Government Structure

Representative democracy. The Diet or national legislature, consists of the House of Representatives (the lower house) that is elected every four years and House of Councillors (the upper house), which is elected every six years. The House of Representatives consists of 480 seats (LDP 306 seats, DPJ 112 seats, New Komeito 31 seats, Japanese Communists 9 seats).<sup>181</sup> House of Councillors consists of 242 seats (LDP 109 seats, DPJ 83 seats, New Komeito 24 seats, Japanese Communists 9 seats).<sup>182</sup> The prime minister is chosen by a ballot of the Diet (parliament) and appoints a cabinet, a majority of whose members must also be members of the Diet.

## Main political organizations

Government — coalition of the LDP (Liberal Democratic Party) and New Komeito  
Opposition — DPJ (Democratic Party of Japan), Japanese Communist Party, Social Democratic Party, The People's New Party, New Party Nippon, Liberal League, New Party Daichi

## Economic Data<sup>183</sup>

GDP by expenditure (2006)	USD 4.911 trillion
Recorded unemployment (2006)	4.1%
Spot Exchange rate (Yen per \$, 21 2006)	116.18
Total Exports (2006)	USD 590.3 trillion
Total Imports (2006)	USD 524.1 trillion

## Main Imports

Machinery and equipment, fuels, foodstuffs, chemicals, textiles, raw materials

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<sup>180</sup> List of Cabinet Ministers, Official Website of Prime Minister of Japan and His Cabinet, Date of Access: 14 May 2007. [http://www.kantei.go.jp/foreign/abedaijin/060926/index\\_e.html](http://www.kantei.go.jp/foreign/abedaijin/060926/index_e.html)

<sup>181</sup> Political Parties in the House, Official Website of the House of Representatives, (Tokyo), 8 May 2007. Date of Access: 15 May 2007. [http://www.shugiin.go.jp/index.nsf/html/index\\_e\\_strength.htm](http://www.shugiin.go.jp/index.nsf/html/index_e_strength.htm).

<sup>182</sup> Political Groups in the House of Councillors, Official Website of the House of Councillors National Diet of Japan, (Tokyo), 30 January 2007. Date of Access: 15 May 2007. <http://www.sangiin.go.jp/eng/member/index.htm>.

<sup>183</sup> Japan Economy, CIA World Factbook, (Washington), 10 May 2007. Date of Access: 15 May 2007. <https://www.cia.gov/library/publications/the-world-factbook/geos/ja.html#Econ>.

### **Main Exports**

Transport equipment, motor vehicles, semiconductors, electrical machinery, chemicals

### **Major Trading Partners (2005)**

China 21%, US 12.7%, Saudi Arabia 5.5%, UAE 4.9%, Australia 4.7%, South Korea 4.7%, Indonesia 4% (2005)

### **Background**

Since assuming office on 26 September 2006, Japanese Prime Minister Shinzo Abe has placed a number of issues at the forefront of his foreign policy agenda. Leading up to the G8 Summit in Heiligendamm, it is expected that Abe will look to consolidate G8 agreements that support Japan's policies on energy security, climate change, North Korea, and African development.

Climate change has surfaced as one of the most prominent political issues since last year's St. Petersburg Summit. Prime Minister Abe has advanced Japan's position on climate change through the "Cool Earth 50" post-Kyoto climate change plan, which calls for the reduction of greenhouse gas (GHG) emissions by 50% by 2050. In this regard, Japan has already spearheaded talks with the G8's most reluctant member, the United States. In an official document published following the US-Japan Summit in April 2007, both countries agreed to "remain committed to the ultimate objective of stabilizing greenhouse gas concentrations in the atmosphere."<sup>184</sup>

Japan, which is heavily reliant on energy imports, has also signaled its intent to secure regional energy commitments with its oil-producing trade partners in the Middle East. In the months preceding this year's summit, Prime Minister Abe has led a wave of high-level energy diplomacy with the United States and countries in the Middle East.

On issues relating to North Korea, Prime Minister Abe has taken a hard line against North Korea following a deadlock in Six-Party Talks. In talks with British Prime Minister Tony Blair, Prime Minister Abe insisted that the UK also take a tough stance against North Korea.

African development is another salient issue on which Japan can be expected to assume leadership. In particular, Japan in conjunction with other G8 members such as Germany and the UK, has indicated its willingness to urge other G8 leaders to reaffirm their commitment to targets previously set at Gleneagles, notably, the doubling of African aid by 2010, and securing commitments for relieving the debts of heavily indebted African countries.

### **Summit Objectives**

#### **Objective 1: Climate Change**

A key objective for Japan is to have the G8 commit to a post-Kyoto climate change agreement. More specifically, success for Japan will entail getting the G8 and large emerging emitters such as China and India to commit to halving greenhouse gas emissions by 2050.<sup>185</sup>

Prime Minister Abe has indicated his willingness to take leadership on the climate change issue. Japan has announced intentions to set up a new financial framework to help developing nations

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<sup>184</sup> US-Japan Statement on Energy, Clean Development and Climate Change, White House Office of the Press Secretary, (Washington), 27 April 2007. Date of Access: 11 May 2007. <http://www.whitehouse.gov/news/releases/2007/04/20070427.html>.

<sup>185</sup> Japan Set to Propose Post-Kyoto Steps to Halve Emissions by 2050, International Herald Tribune, (Geneva), 8 May 2007. Date of Access: 12 May 2007. <http://www.ihf.com/articles/ap/2007/05/08/asia/AS-GEN-Japan-Gas-Emissions.php>.

deal with global warming.<sup>186</sup> Japan has also proposed to develop new technologies to reduce emissions to meet the newly proposed targets.<sup>187</sup>

During the annual Asian Development Bank (ADB) meeting in April 2007, Japan specifically pledged USD122 million to support clean energy projects in Asia.<sup>188</sup> Japan's Finance Minister Koji Omi also agreed to arrange USD2.4 billion in loans for the ADB to promote sustainable development and measures to combat climate change over the next five years.<sup>189</sup> In preparation for the upcoming summit, Japan's Economics Minister Hiroko Ota has also established an economic panel to discuss proposals from the private sector on tackling climate change in May 2007.<sup>190</sup>

## **Objective 2: Energy Security**

Energy security will be an important issue for Japan at Heiligendamm. Success for Japan can be measured by Japan's ability to ensure that the G8 commits to promoting clean and efficient energy technologies and alternative fuels that would reduce reliance on traditional energy commodities such as natural gas and oil, thus connecting climate protection with energy security.

Japan's desire to address energy resources during the summit underlines a significant shift in the country's approach to energy security amid increasing oil prices and an increasingly competitive global energy market led by China and India. Japan's Foreign Vice-Minister Kiohiko Toyama, identified "steep oil prices" and "fast economical development in Asia, most of all in China and India" as the major reasons for Japan's heightened concern with global energy security.<sup>191</sup> In response to major setbacks in 2006 with the loss of oil projects in Iran and Russia, Japan recently intensified diplomatic efforts to engage oil-producing countries in the Middle East. In May 2007, Prime Minister Abe accompanied by a delegation of 180 executives from Japan's private sector, spearheaded major diplomatic efforts in Saudi Arabia, the United Arab Emirates (UAE), Kuwait and Qatar, countries that provide for 90% of Japan's imported oil.<sup>192</sup> Prime Minister Abe has taken up a particularly strong political position on the issue by steadily increasing diplomatic pressure and introducing economic investments in the region to support the efforts of Japanese oil companies in competing with China and India for lucrative oil projects.<sup>193</sup>

The topic of energy security was also placed on the agenda during the recent US-Japan Energy Joint meeting on Energy, Clean Development and Climate Change held in Washington in April 2007. During the meeting, President Bush and Prime Minister Abe signaled a mutual interest in engaging the issue of energy security at the upcoming summit.<sup>194</sup> According to a statement issued by the White House, an important variable underlying the rationale for increased concerns to address the issue of energy security is to ensure that energy remains "reliable, affordable, and secure."<sup>195</sup> This can be done by, "encouraging efficiency, diversity of supply, and advances in

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<sup>186</sup> Japan to Propose Post-Kyoto Steps to Halve Emissions by 2050, Kyodo News, (Tokyo), 8 May 2007. Date of Access: 22 May 2007. <http://global.factiva.com/ha/default.aspx>

<sup>187</sup> Japan To Propose Steps To Cut Greenhouse Gas Emissions, Dow Jones Commodities Service, (New York), 8 May 2007. Date of Access: 23 May 2007. <http://global.factiva.com/ha/default.aspx>.

<sup>188</sup> Japan Pledges 122M for Clean Energy, ABC News, (Washington), 6 May 2007. Date of Access: 12 May 2007. <http://www.abc.net.au/news/newsitems/200705/s1915591.htm>.

<sup>189</sup> Japan Pledges 122M for Clean Energy, ABC News, (Washington), 6 May 2007. Date of Access: 12 May 2007. <http://www.abc.net.au/news/newsitems/200705/s1915591.htm>.

<sup>190</sup> Japan Government Panel to Debate Climate Proposals, Reuters News, (New York), 15 May 2007. Date of Access: 22 May 2007. <http://global.factiva.com/ha/default.aspx>.

<sup>191</sup> Japan Considers the Topic of Energy Security, Civil G8, (Berlin), 15 April 2007. Date of Access: 14 May 2007. <http://en.civilg8.ru/forum/826.php>.

<sup>192</sup> A Flurry of Japanese Energy Diplomacy, UzReport, (Toronto), 7 May 2007. Date of Access: 24 May 2007. <http://global.factiva.com/ha/default.aspx>.

<sup>193</sup> Japan Tangos with Mideast in New Energy Security Dance, Platts Commodity News, (Toronto), 15 May 2007. Date of Access: 25 May 2007. <http://global.factiva.com/ha/default.aspx>.

<sup>194</sup> US-Japan Statement on Energy, Clean Development and Climate Change, White House Office of the Press Secretary, (Washington), 27 April 2007. Date of Access: 11 May 2007. <http://www.whitehouse.gov/news/releases/2007/04/20070427.html>.

<sup>195</sup> US-Japan Statement on Energy, Clean Development and Climate Change, White House Office of the Press Secretary, (Washington), 27 April 2007. Date of Access: 11 May 2007. <http://www.whitehouse.gov/news/releases/2007/04/20070427.html>.

technology."<sup>196</sup> Both countries agreed to work together with other international partners, in particular the "major energy consuming nations, to promote the commercialization of advanced clean energy technologies..."<sup>197</sup> They also agreed to work with multilateral forums including the G8, the Asia-Pacific Partnership on Clean Development and Climate, the International Energy Agency, APEC, the Commission of Sustainable Development, and others.<sup>198</sup>

### **Objective 3: North Korea**

In line with its actions at past summits, Japan will want to establish a G8 agreement for addressing North Korea's alleged nuclear arms program.<sup>199</sup> Prime Minister Abe can be expected to advocate for tougher sanctions against North Korea at the international level.

At the Joint Statement of the fourth Round of the Six-Party Talks on 19 September 2005, North Korea "committed to abandoning all nuclear weapons and existing nuclear programs and returning, at an early date, to the Treaty on the Non-Proliferation of Nuclear Weapons and to International Atomic Energy Agency (IAEA) safeguards."<sup>200</sup> After refusing to engage in denuclearization talks with China, Japan, South Korea, Russia and the U.S. for more than a year, North Korea accepted the Six-Party agreement on 13 February 2007, in which it agreed to halt the development of its nuclear arms and allow IAEA inspectors into the country.<sup>201</sup>

North Korea, however, failed to meet the April 14 deadline to dismantle its nuclear weapons and refused to shut down its key Yongbyon reactor.<sup>202</sup> At the G8 foreign minister meeting in Potsdam on 30 May 2007, the ministers called on North Korea to fully implement their denuclearization agreement by the Six-Party Talks and to stop the development of nuclear programs.<sup>203</sup> Chief Cabinet Secretary Yasuhisa Shiozaki claimed that "it is important that nations work together in line with the UN resolution" and pressed for the cooperation of UN member states.<sup>204</sup>

Success for Japan on this issue will involve a statement by the G8 that denounces North Korea's continued intransigence in the denuclearization process.<sup>205</sup>

Abe may also call for a G8 statement on the abduction of Japanese citizens by North Korean nationals, his "signature diplomatic issue."<sup>206</sup> Abe stated that, "G8 leaders' understanding of the

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<sup>196</sup> US-Japan Statement on Energy, Clean Development and Climate Change, White House Office of the Press Secretary, (Washington), 27 April 2007. Date of Access: 11 May 2007. <http://www.whitehouse.gov/news/releases/2007/04/20070427.html>.

<sup>197</sup> US-Japan Statement on Energy, Clean Development and Climate Change, White House Office of the Press Secretary, (Washington), 27 April 2007. Date of Access: 11 May 2007. <http://www.whitehouse.gov/news/releases/2007/04/20070427.html>.

<sup>198</sup> US-Japan Statement on Energy, Clean Development and Climate Change, White House Office of the Press Secretary, (Washington), 27 April 2007. Date of Access: 11 May 2007. <http://www.whitehouse.gov/news/releases/2007/04/20070427.html>.

<sup>199</sup> Japan wants abductions by N Korea on G-8 agenda, Japan Today, (Tokyo), 19 May 2007. Date of Access: 25 May 2007. <http://www.japantoday.com/jp/news/407082>.

<sup>200</sup> Joint Statement of the Fourth Round of the Six-Party Talks Beijing, September 19, 2005, U.S. Department of State, (Washington), 19 September 2005. Date of Access: 4 June 2007. <http://www.state.gov/r/pa/prs/ps/2005/53490.htm>.

<sup>201</sup> Initial Actions To Implement Six-Party Joint Statement, U.S. Department of State, (Washington), 13 February 2007. Date of Access: 4 June 2007. <http://www.state.gov/r/pa/prs/ps/2007/february/80479.htm>.

<sup>202</sup> US Urges N Korea to shut reactor, BBC News, 14 April 2007. Date of Access: 24 May 2007. <http://news.bbc.co.uk/2/hi/asia-pacific/6555677.stm>.

<sup>203</sup> G8 foreign ministers urge Iran, N. Korea to halt nuclear programs, RIA Novosti (Potsdam), 30 May 2007. Date of Access: 3 June 2007. <http://en.rian.ru/world/20070530/66362261.html>.

<sup>204</sup> World Must Work Together to Sanction North Korea, Shiozaki Says, Bloomberg, (Tokyo), 31 May 2007. Date of Access: 5 June 2007. <http://www.bloomberg.com/apps/news?pid=20601101&sid=auWhw7RVJ040&refer=japan>.

<sup>205</sup> G-8 Summit to Denounce N. Korean N-Test as Threat to Peace, Jiji Press English News Service, (Tokyo), 2 June 2007. Date of Access: 3 June 2007.

<sup>206</sup> G-8 Summit to Denounce N. Korean N-Test as Threat to Peace, Jiji Press English News Service, (Tokyo), 2 June 2007. Date of Access: 3 June 2007.

abduction issue has deepened.”<sup>207</sup> However, since there has not been clear progress on the return of Japanese citizens from North Korea, and the issue has fallen from the media spotlight, it is unlikely that the G8 will issue anything more than a broad statement condemning of North Korea’s actions.<sup>208</sup>

#### **Objective 4: Aid to Africa**

Japan is a major African aid donor. Between 1993 and 2005, Japan offered more than USD10 billion through the bilateral Official Development Assistance (ODA).<sup>209</sup> During the Gleneagles Summit in 2005, Japan pledged to add more than USD10 billion in ODA until 2009.<sup>210</sup> Japan also announced plans to double its aid for Africa by increasing ODA contributions by USD1.68 billion until 2007.<sup>211</sup>

In March 2007, Japan announced that it would provide USD9.76 million in the form of emergency grants to Uganda, Sierra Leone, Burundi and Liberia to support democratic elections and resettlement efforts, and to improve health conditions.<sup>212</sup> Japan has also partnered with other OECD countries in establishing a collective agreement for Liberia’s debt cancellation.<sup>213</sup> At the summit, Japan will likely claim further financial assistance to Africa and the establishment of an agreement for Liberia’s debt cancellation in partnership with other OECD countries. Given that German Chancellor Angela Merkel promoted the resolution of Liberia’s debt cancellation within the G8 process and recommended to offer more than USD3.7 billion,<sup>214</sup> Japan’s request will be highly supported by other G8 countries.

On 30 May 2007 in Potsdam, foreign ministers of the G8 countries emphasized the need for free and fair investment according to the “rule of law,” and the enhancement of good governance in connection with aid to Africa.<sup>215</sup> Japan pointed out that China’s investment in the Darfur region is an “uncontrolled investment in the pursuit of an energy source” designed to expand the Chinese economy despite the humanitarian crisis in that region.<sup>216</sup> If Japan is to meet its varied objectives for Africa, the G8 will need to demonstrate its commitment to debt cancellation in Liberia, express concern over Chinese actions in Darfur, and advocate for free and fair investment in Africa according to the rule of law.

**By: James Meers and Miho Takaya**

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<sup>207</sup> Abe Sees Japan in Mediator Role on Climate Change at G8, Thomson Financial, (Berlin), Date of Access: 5 June 2007. <http://www.hemscott.com/news/latest-news/item.do?newsId=44770739294670>.

<sup>208</sup> Japan’s Embattled PM Looks to G8 summit for respite, Reuters AlertNet, (Tokyo), 4 June 2007. Date of Access: 5 June 2007. <http://www.alertnet.org/thenews/newsdesk/T72334.htm>.

<sup>209</sup> Keep the G8 Promise to Africa, The Date Report 2006, 17 July 2006. Date of Access: 16 May 2007. <http://www.devinit.org/PDF%20downloads/DATAreport.pdf>.

<sup>210</sup> Keep the G8 Promise to Africa, The Date Report 2006, 17 July 2006. Date of Access: 16 May 2007. <http://www.devinit.org/PDF%20downloads/DATAreport.pdf>.

<sup>211</sup> Opening Remarks by Mr. Takeshi IWAYA, Senior Vice-Minister for Foreign Affairs, Japan at the TICAD Ministerial Conference on Energy and Environment for Sustainable Development, The Ministry of Foreign Affairs of Japan, 22 March 2007. Date of Access: 12 May 2007. <http://www.mofa.go.jp/region/africa/ticad/min0703/remark.html>.

<sup>212</sup> Assistance for Consolidation of Peace in Africa, The Ministry of Foreign Affairs of Japan, 8 May 2007. Date of Access: 12 May 2007. <http://www.mofa.go.jp/announce/announce/2007/3/0308.html>.

<sup>213</sup> Japan to Push for Liberia’s Debt Cancellation at G8 Meeting, Africa News,(PANA), 17 March 2007. Date of Access: 12 May 2007. <http://www.africa-interactive.net/index.php?PageID=3742>.

<sup>214</sup> Liberia: Germany Lines Up for Liberia, allAfrica, (Monrovia), 28 May 2007. Date of Access: 5 June 2007. <http://allafrica.com/stories/200705280872.html>.

<sup>215</sup> Declaration of G8 Foreign Ministers on the Rule of Law, The Ministry of Foreign Affairs of Japan, 31 May 2007. Date of Access: 3 June 2007. <http://www.mofa.go.jp/policy/economy/summit/2007/g8dec.pdf>.

<sup>216</sup> G-8 foreign ministers to gather Wed. to mull Africa aid, N. Korea, Kyodo News, (Berlin), 29 May 2007. Date of Access: 3 June 2007. [http://www.breitbart.com/article.php?id=D8PE22N80&show\\_article=1&cat=0](http://www.breitbart.com/article.php?id=D8PE22N80&show_article=1&cat=0).

# Russian Federation

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## Political Data

Head of State – President	Vladimir PUTIN
Prime Minister – Head of Government	Mikhail FRADKOV
First Deputy Prime Minister	Dmitry MEDVEDEV
First Deputy Prime Minister	Sergei IVANOV
Chief of Staff	Sergei NARYSHKIN
Minister of Economic Development and Trade	German GREF
Minister of Finance	Aleksei KUDRIN
Minister of Foreign Affairs	Sergei LAVROV
Minister of Industry and Energy	Victor KHRISTENKO
Central Bank Governor	Sergei IGNATIEV
G8 Sherpa	Igor SHUVALOV

## Government Structure and National Legislature

A Bicameral Federal Assembly; 178 seat Federal Council with members appointed by the top executive and legislative officials in each of the 88 federal administrative units; the 450 seat State Duma is elected by proportional representation on a territorial basis.

**Elections:** State Duma elections are to be held in December 2007, and the next presidential election is due March 2008.

## Economic Data

GDP (PPP)	USD1.723 trillion
GDP per capita (PPP)	USD12,100
GDP % real change	6.6%
Recorded Unemployment	6.6%
Exchange rate (RUB per \$, 16 May 2007)	0.03886
Export Value	US \$317.6 billion
Import Value	US \$171.5 billion

### Main Exports (2006)

Oil, fuel and gas (64.8%); Metals (13.8%); Machinery and equipment (5.8%); Chemicals (5.6%).

### Main Imports (2006)

Machinery and equipment (39.8%); Chemicals (13.2%); Food and agricultural products (13.1%); Metals (5.8%).

### Major Trading Partners (2006)

Exports: Netherlands (10.1%), Germany (8.1%), Italy (7.8%), China (5.4%)  
Imports: Germany (13.4%), Ukraine (7.9%), China (7.3%), US (4.6%)

## Background

Heiligendamm will be the seventh and final G8 Summit attended by President Putin, since his second term as president will end in 2008. The Russian constitution currently prohibits the president from running for a third consecutive term.

President Putin's second term in office has made the Russian government the target of international scrutiny for its alleged shift towards authoritarianism. The Kremlin has received worldwide condemnation for its perceived repression of political parties, media outlets, and non-governmental organizations. Russia is also under mounting international scrutiny for its resistance

to the US and EU-endorsed scheme for Kosovo's independence. Nevertheless, Russia continues to take steps towards further integration with the G8. For instance, Russia attended the G8 Finance Ministers meeting in Potsdam on 18 and 19 May 2007, despite concerns expressed by some Russia observers and officials regarding the relative weakness and instability of the Russian economy.<sup>217</sup> Russia's presence at this gathering not only breaks with a cycle of Russian non-economic participation, but also further cements the Russian position in the G8. The desire to demonstrate its full membership in the G8 is likely to motivate Russia's performance on economic and political issues at the summit.

More specifically, at Heiligendamm, Russia will be concerned with endorsing energy security recommendations delineated in the 2006 Global Energy Security Action Plan. Russia is also eager to dispel accusations of energy imperialism, as well as move forward on outstanding energy issues.<sup>218</sup> Aside from energy issues, Russia will seek to work out a definite scheme for African aid, and ensure that its interests are preserved in the determination of Kosovo's future.

Russia will also enter the summit in the midst of heightened tensions with the United States. President Putin's latest announcement to possibly "aim nuclear weapons at targets" in Europe comes in response to the American plan to construct an anti-ballistic missile system in the Czech Republic and Poland.<sup>219</sup> In spite of US assurances that the system will not be directed against Russia and that the purpose is to deter a potential threat from Iran,<sup>220</sup> Moscow views the American scheme as a national security threat.<sup>221</sup> The Kremlin's resistance comes in light of a statement from a top security official in Iran, claiming that the country does not possess missiles capable of reaching Europe.<sup>222</sup> In his press conference with foreign reporters, President Putin went so far as to refer to the situation as a "new arms race."<sup>223</sup> Although the missile conflict constitutes a largely bilateral issue that may be treated on the sidelines of the summit, the disagreement may impede cooperation between Russia and the United States on other agenda items at Heiligendamm.

## Summit Objectives

### **Objective 1: Energy Security**

Energy security is expected to be a key issue for Russia at the Heiligendamm Summit.<sup>224</sup> Russia will likely promote the energy security recommendations set out in the 2006 Global Energy Security Action Plan produced in St. Petersburg. President Putin will address global energy challenges by encouraging open discussion on energy security initiatives, and by focusing special attention on the Joint Oil Data Initiative (JODI) and the Extractive Industries Transparency Initiative (EITI).<sup>225</sup> Russia will also seek to play a role in the reduction of energy poverty by emphasizing the importance of scientific research in determining energy policy.

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<sup>217</sup> Meeting of the G7 Finance Ministers and Central Bank Governors in Essen on 9/10 February 2007, G8 Summit 2007 Heiligendamm, The Federal Government of Germany, (Berlin), 27 November 2006. Date of Access: 3 June 2007. [http://www.g-8.de/nn\\_92452/Content/EN/Artikel/2006/11/g8-2006-11-27-akkreditierung-g7-essen.html](http://www.g-8.de/nn_92452/Content/EN/Artikel/2006/11/g8-2006-11-27-akkreditierung-g7-essen.html).

<sup>218</sup> Russia rejects accusations of Energy Imperialism, Forbes Magazine, (Moscow), 1 June 2007. Date of Access: 2 June 2007. <http://forbes.com/marlets/feeds/afx/2007/06/01/afx3779895.html>.

<sup>219</sup> Before Bush's visit, Czechs Torn over U.S. Missile Defense Plans, Associated Press/Boston Herald, (Boston). 4 May 2007. Date of Access: 4 May 2007. <http://news.bostonherald.com/international/europe/view.bg?articleid=1004742>.

<sup>220</sup> Before Bush's visit, Czechs Torn over U.S. Missile Defense Plans, Associated Press/Boston Herald, (Boston). 4 May 2007. Date of Access: 4 May 2007. <http://news.bostonherald.com/international/europe/view.bg?articleid=1004742>.

<sup>221</sup> Russia Warns US on Missile Defense, Time Magazine, (New York), 4 June 2007. Date of Access: 4 June 2007. <http://www.time.com/time/world/article/0,8599,1627822,00.html>.

<sup>222</sup> Russia Warns US on Missile Defense, Time Magazine, (New York), 4 June 2007. Date of Access: 4 June 2007. <http://www.time.com/time/world/article/0,8599,1627822,00.html>.

<sup>223</sup> Russia Warns US on Missile Defense, Time Magazine, (New York), 4 June 2007. Date of Access: 4 June 2007. <http://www.time.com/time/world/article/0,8599,1627822,00.html>.

<sup>224</sup> Russia rejects accusations of Energy Imperialism, Forbes Magazine, (Moscow) 1 Jun2 2007. Date of Access: 2 June 2007. <http://forbes.com/marlets/feeds/afx/2007/06/01/afx3779895.html>.

<sup>225</sup> Global Energy Security, Official Website of the Russian G8 Presidency, (St.Petersburg) 16 July 2006. Date of Access: 16 May 2007. <http://en.g8russia.ru/docs/11.html>.

From 29 May to 1 June 2007, the Russian Ministry of Industry and Energy co-sponsored a ministerial conference with UNESCO entitled "Energy in the Changing World." Russian Minister of Industry and Energy, Victor Khristenko attended this conference, which looked at the main energy problems confronting the global community.<sup>226</sup> That the conference was held a week prior to the Heiligendamm Summit suggests that Russia hopes to maintain a focus on energy issues. These include finding ways to promote energy efficiency and develop renewable energy and new energy technologies.<sup>227</sup>

Russia will continue to affirm its role as a secure and trustworthy source of energy products at the summit. Disruptions in the supply of oil and natural gas from Russian to European markets has led to skepticism regarding Russia's ability to provide a reliable supply of energy resources.<sup>228</sup> Germany, which has been directly affected by the disruptions, has promised to address the issues of sustainable energy at Heiligendamm. Given the popular perception of Russia as an unreliable or unstable source of natural energy resources,<sup>229</sup> Russia has been supporting initiatives that increase information transparency in the global energy markets.<sup>230</sup> The Russian Ministry of Industry and Energy is promoting the liberalization of electricity markets by 2011. The Ministry also announced the construction of new oil transport pipelines through the Black Sea and Siberia to diversify their export markets as well as decongest transport to Europe.<sup>231</sup> As to opinions of Russia using oil as a political tool,<sup>232</sup> President Putin on 31 May 2007 reiterated that there lies no link between Russian energy policy and foreign policy – a statement which he will surely have to defend at the summit.<sup>233</sup>

Russia will also promote an expanded dialogue on energy issues by taking into consideration consumers in the Central Asian and South Caucasian republics in addition to India and China.<sup>234</sup> Russia will promote the development of its own energy infrastructure through projects aimed at the diversification of hydrocarbon export flows,<sup>235</sup> namely through encouraging foreign investment in the construction of new pipelines.

Energy efficiency will also be addressed as a stabilizing property in the economy and in global energy security.<sup>236</sup> In order to achieve its goals of increasing the energy efficiency of the Russian economy, Russia will hope to acquire access to new energy saving technologies, materials and equipment to this end at the summit. Furthermore, nuclear research and issues of nuclear

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<sup>226</sup> From Petersburg to Heiligendamm via Paris, The Ministry of Industry and Energy of the Russian Federation, (Moscow) 18 April 2007. Date of Access: 16 May 2007. <http://www.minprom.gov.ru/eng/press/news/186/>.

<sup>227</sup> From Petersburg to Heiligendamm via Paris, The Ministry of Industry and Energy of the Russian Federation, (Moscow) 18 April 2007. Date of Access: 16 May 2007. <http://www.minprom.gov.ru/eng/press/news/186/>.

<sup>228</sup> Belarus and Russia spar over Crude Oil Cutoff, The International Herald Tribune, (London) 8 January 2007. <http://www.iht.com/articles/2007/01/08/business/belarus.php>. Date of Access: 16 May 2007.

<sup>229</sup> Putin says no link between Energy and Foreign Policy, Russian News and Information Agency (Moscow), 31 May 2007. Date of Access: 31 May 2007. <http://en.rian.ru/world/20070531/66426690.html>.

<sup>230</sup> Cooperation with UNESCO - A Matter of Principle, The Ministry of Industry and Energy of the Russian Federation, (Moscow) 28 April 2007. Date of Access: 16 May 2007. <http://www.minprom.gov.ru/eicw/eng/news/2>.

<sup>231</sup> Address by the Russian Minister of Industry and Energy Victor Khristenko, "The Role and Significance of the Energy Policies of the Russian Federation within the overall Context of Energy Security for the UN ECE Region", (Geneva) 11 May 2007. Date of Access: 16 May 2007. <http://www.minprom.gov.ru/eng/appearance/44>.

<sup>232</sup> Address by the Russian Minister of Industry and Energy Victor Khristenko, "The Role and Significance of the Energy Policies of the Russian Federation within the overall Context of Energy Security for the UN ECE Region", (Geneva) 11 May 2007. <http://www.minprom.gov.ru/eng/appearance/44>. Date of Access: 16 May 2007.

<sup>233</sup> Putin says no link between Energy and Foreign Policy, Russian News and Information Agency (Moscow), 31 May 2007. <http://en.rian.ru/world/20070531/66426690.htm>. Date of Access: 31 May 2007.

<sup>234</sup> Address by the Russian Minister of Industry and Energy Victor Khristenko, "The Role and Significance of the Energy Policies of the Russian Federation within the overall Context of Energy Security for the UN ECE Region", (Geneva) 11 May 2007. Date of Access: 16 May 2007. <http://www.minprom.gov.ru/eng/appearance/44>.

<sup>235</sup> Address by the Russian Minister of Industry and Energy Victor Khristenko, "The Role and Significance of the Energy Policies of the Russian Federation within the overall Context of Energy Security for the UN ECE Region", (Geneva) 11 May 2007. Date of Access: 16 May 2007. <http://www.minprom.gov.ru/eng/appearance/44>.

<sup>236</sup> Address by the Russian Minister of Industry and Energy Victor Khristenko, "The Role and Significance of the Energy Policies of the Russian Federation within the overall Context of Energy Security for the UN ECE Region", (Geneva) 11 May 2007. Date of Access: 16 May 2007. <http://www.minprom.gov.ru/eng/appearance/44>.

proliferation stand to be equally important issues in improving Russian energy efficiency and rising levels of energy consumption as well as in ensuring the security of nuclear materials.<sup>237</sup> At a conference in Luxemburg on preventing nuclear catastrophes held 24 May 2007, Sergei Kiriyyenko expanded on Russia's nuclear energy stance as supporting the Non-Proliferation Treaty and encouraging access to civilian nuclear energy. Nevertheless, Kiriyyenko also stated, "the international community should make sure that security and non-proliferation guarantees are observed."<sup>238</sup> At the summit, Russia will promote safe and controlled access to nuclear technology when addressing sustainable development and the use of alternative energy sources.<sup>239</sup>

In Heiligendamm, Russia stands to promote issues of energy security in terms of sustainable development. The weight of the energy sector in the Russian economy makes energy issues a sensitive subject for Russia, however in the lead-up to the summit, Russian officials have made positive comments establishing the potential for productive dialogue. However Russia is also positioned to encounter opposition to its energy policy practices, particularly from Germany and the EU.

A reiteration of commitments to promote energy security and sustainable development as per the St. Petersburg Global Energy Security Action Plan, as well statements from G8 leaders endorsing Russia as a global energy partner, will represent success for Russia at the summit.

### **Objective 2: Africa**

In accordance with commitments made at the St. Petersburg Summit, Russia will continue to encourage African development in Heiligendamm, although it will probably not take a leadership role in such discussions. Russia will underscore the importance of debt relief through the Highly Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI). On 29 May 2007, Foreign Minister Sergei Lavrov announced Russia's plan to cancel USD500 million in debt owed by Africa's poorest countries. Russia has already forgiven USD11.3 billion in African debt, including USD2.2 billion through the HIPC Initiative.<sup>240</sup> Given its recent efforts and relatively small aid budget however, Russia may not make further announcements on debt relief and will likely resist calls to substantially finance any new G8 aid package to Africa.

Russia can be expected though to lend its support to overarching principles that will encourage development, as well as reaffirm its commitment to existing partnerships and initiatives in Africa. For instance, Russia will likely encourage the issuance of a G8 statement reaffirming the group's commitment to supporting African peacekeeping capabilities.<sup>241</sup> It can be expected that the African Peace and Security Architecture (APSA) will be mentioned. Russia will realize its goals for promoting African development if the G8 reaffirms its commitment to debt relief initiatives and the development of African peace support operations.

Russia will also seek to establish functional government structures and develop mechanisms to integrate African economies into the global economy.<sup>242</sup> Lavrov affirmed, after all, that Russia intends to continue its efforts to integrate Africa into the global economic and political community,

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<sup>237</sup> Address by the Russian Minister of Industry and Energy Victor Khristenko, "The Role and Significance of the Energy Policies of the Russian Federation within the overall Context of Energy Security for the UN ECE Region", (Geneva) 11 May 2007. Date of Access: 16 May 2007. <http://www.minprom.gov.ru/eng/appearance/44>.

<sup>238</sup> Kiriyyenko says States cannot be barred from Nuclear Technology, Russian News and Information Agency (Moscow), 24 May 2007. Date of Access: 31 May 2007. <http://en.rian.ru/russia/20070524/66037764.html>.

<sup>239</sup> Address by the Russian Minister of Industry and Energy Victor Khristenko, "The Role and Significance of the Energy Policies of the Russian Federation within the overall Context of Energy Security for the UN ECE Region", (Geneva) 11 May 2007. Date of Access: 16 May 2007. <http://www.minprom.gov.ru/eng/appearance/44>.

<sup>240</sup> Russia to provide poorest countries \$500 million in Financial Aid, Russian News and Information Agency, (Moscow), 29 May 2007. Date of Access: 31 May 2007. <http://en.rian.ru/world/20070529/66291343.html>.

<sup>241</sup> Russia to Cancel \$500 million of African Nations' Debt, Russian News and Information Agency (Moscow), 29 May 2007. Date of Access: 31 May 2007. <http://en.rian.ru/world/20070529/66249714.html>.

<sup>242</sup> A Survey of Russian Federation Foreign Policy, Ministry of Foreign Affairs of the Russian Federation (Moscow), 10 May 2007. Date of Access: 16 May 2007. [http://www.mid.ru/Brp\\_4.nsf/arh/89A30B3A6B65B4F2C32572D700292F74?OpenDocument](http://www.mid.ru/Brp_4.nsf/arh/89A30B3A6B65B4F2C32572D700292F74?OpenDocument).

both bilaterally and through multilateral programs and institutions.<sup>243</sup> Success for Russia at the summit will thus involve a G8 commitment to supporting initiatives that will allow for financial stability as well as freedom of investment on the continent. After all, Africa is an attractive market for Russian goods and trade, where bilateral trade amounts to USD3.5 billion.<sup>244</sup>

In the weeks preceding the summit, Russia has taken decisive action on African initiatives. At Heiligendamm, Russia should face minimal difficulty in realizing its objectives, particularly given the German Presidency's new policy approach through the Partnership for Reform for Africa.<sup>245</sup>

### **Objective 3: Independence of Kosovo**

At the G8 Summit in Heiligendamm, Russia will look to maintain its current position on the independence of Kosovo.

A spokesperson for the United States State Department confirmed that the future of Kosovo is expected to be on the G8 agenda.<sup>246</sup> Throughout May, the issue has rapidly gained importance as inter-G8 contentions have become apparent.

During the week of 7 May 2007, the UN Security Council issued a draft resolution granting independence to the Serbian-controlled Kosovo.<sup>247</sup> Although the resolution has received support from the US and the EU, Russia has strongly opposed it from the outset. Moreover, as a permanent member of the Security Council, it has implied that it might employ its veto to block the resolution.<sup>248</sup> Russia's opposition stems from its longstanding support of Serbia, and its fears that Kosovo's independence will contribute to secessionist sentiment in the Russian regions of Transnistria, Abkhazia, and South Ossetia.

The former Finnish Prime Minister Marti Ahtisaari has since proposed a solution, which features Kosovar independence under international, largely EU-administered supervision.<sup>249</sup> However, Moscow argues that Ahtisaari's proposal does not contain adequate safeguards for the ethnic Serbian minority.<sup>250</sup> With negotiations expected to last throughout much of the summer, the proposed deadline of achieving a defined independence scheme by mid-May now appears unrealistic.<sup>251</sup> Secretary Rice's visit to Moscow on 16 May 2007 did not produce a compromise on the issue, and both Russia and the United States remain entrenched in their positions. Furthermore, the US and Russia expressed their disagreement over the issue at the high-profile meeting of G8 foreign ministers, on 30 May 2007 in Potsdam, Germany.<sup>252</sup> In fact, at the meeting, Russian Foreign Minister Sergei Lavrov reiterated his government's position of complete opposition to Ahtisaari's recommendations.<sup>253</sup>

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<sup>243</sup> Russia to cancel \$500 million of African Nations' Debt, Russian News and Information Agency, (Moscow), 29 May 2007. Date of Access: 31 May 2007. <http://en.rian.ru/world/20070529/66249714.html>.

<sup>244</sup> Russia to provide poorest countries \$500 million in Financial Aid, Russian News and Information Agency (Moscow), 29 May 2007. Date of Access: 31 May 2007. <http://en.rian.ru/world/20070529/66291343.html>.

<sup>245</sup> Focuses of the German G8 Presidency, Official Website of the German G8 Presidency, (Berlin) 18 October 2006. Date of Access: 16 May 2007. <http://www.g-8.de/Webs/G8/EN/G8Summit/Agenda/agenda.html>.

<sup>246</sup> Rice Set to Make Fence-Mending Trip to Spain, Reuters, (Washington), 21 May 2007. Date of Access: 22 May 2007. <http://www.abcnews.go.com/Politics/wireStory?id=3198080>

<sup>247</sup> Analysis—West Sees Russia Isolated on Kosovo, but not Vote Yet, Reuters, (Pristina), 16 May 2007. Date of Access: 16 May 2007. <http://www.alertnet.org/thenews/newsdesk/L16351300.htm>.

<sup>248</sup> Analysis—West Sees Russia Isolated on Kosovo, but not Vote Yet, Reuters, (Pristina), 16 May 2007. Date of Access: 16 May 2007. <http://www.alertnet.org/thenews/newsdesk/L16351300.htm>.

<sup>249</sup> A New Crisis over Kosovo, Gulf News, (Dubai), 18 May 2007. Date of Access: 20 May 2007. <http://archive.gulfnews.com/articles/07/05/18/10126009.htm>.

<sup>250</sup> Bush Welcomes NATO Leader at Texas Ranch, Media-NewsWire, (Washington), 21 May 2007. Date of Access: 21 May 2007. [http://media-newsWire.com/release\\_1050037.html](http://media-newsWire.com/release_1050037.html).

<sup>251</sup> Analysis—West Sees Russia Isolated on Kosovo, but no Vote Yet, Reuters, (Pristina), 16 May 2007. Date of Access: 16 May 2007. <http://www.alertnet.org/thenews/newsdesk/L16351300.htm>.

<sup>252</sup> US-Russia Clashes Sour G8 Meeting, Daily News, (Potsdam), 1 June 2007. Date of Access: 1 June 2007. <http://www.dailynews.lk/2007/06/01/wld02.asp>

<sup>253</sup> US-Russia Clashes Sour G8 Meeting, Daily News, (Potsdam), 1 June 2007. Date of Access: 1 June 2007. <http://www.dailynews.lk/2007/06/01/wld02.asp>

In addition to opposing the UN resolution granting Kosovo internationally supervised independence, Moscow insists that other G8 members should allow Serbia and Kosovo to determine the province's status independently.<sup>254</sup> However, such a stance is unacceptable to the US and EU, who consider Kosovo to be of international concern, as it has been under UN supervision since 1999. Germany, in its role as President of the G8, is determined to prevent an escalation of tensions between Russia and the US at Heiligendamm,<sup>255</sup> which could stand to impede progress and cooperation on other items on the agenda. Consequently, a significant policy clash between Russia, the United States, and the European Union is expected at Heiligendamm.<sup>256</sup>

The presence of Kosovo on the Potsdam agenda demonstrates that it represents a significant concern for all G8 members. The issue, however, may be given greater attention during sideline discussions between Russia and the US/EU.

In order for Russia to successfully meet its objective on Kosovo, a G8 agreement on the issue must not endorse the ratification of the current UNSC independence scheme. Furthermore, it should recognize the need to protect the Serbian minority in Kosovo. However, it is also in Russia's interest to cooperate to an extent, and not be seen as an authoritarian power. Success for Russia on this issue is unlikely, as Russia's stance on the issue is not supported by other G8 states.

**By: Alexandra Lapin and Julia Muravska**

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<sup>254</sup> Russia and US Spar at G8 Summit, Swissinfo, (Geneva), 30 May 2007. Date of Access: 1 May 2007. [http://www.swissinfo.org/eng/international/ticker/detail/Russia\\_and\\_U\\_S\\_spar\\_at\\_G8\\_summit.html?siteSect=143&sid=7877452&cKey=1180569142000](http://www.swissinfo.org/eng/international/ticker/detail/Russia_and_U_S_spar_at_G8_summit.html?siteSect=143&sid=7877452&cKey=1180569142000)

<sup>255</sup> Russia and US Spar at G8 Summit, Swissinfo, (Geneva), 30 May 2007. Date of Access: 1 May 2007. [http://www.swissinfo.org/eng/international/ticker/detail/Russia\\_and\\_U\\_S\\_spar\\_at\\_G8\\_summit.html?siteSect=143&sid=7877452&cKey=1180569142000](http://www.swissinfo.org/eng/international/ticker/detail/Russia_and_U_S_spar_at_G8_summit.html?siteSect=143&sid=7877452&cKey=1180569142000)

<sup>256</sup> G8 Summit's Chilly Climate, Council on Foreign Relations, (New York), 1 June 2007. Date of Access: 1 June 2007. [http://www.cfr.org/publication/13515/g8\\_summits\\_chilly\\_climate.html?breadcrumb=%2F](http://www.cfr.org/publication/13515/g8_summits_chilly_climate.html?breadcrumb=%2F)

# United Kingdom

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## Political Data

Prime Minister	Tony BLAIR
Deputy Prime Minister	John PRESCOTT
Chancellor of the Exchequer	Gordon BROWN
Chief Secretary to the Treasury	Stephen TIMMS
Minister of Foreign and Commonwealth Affairs	Margaret BECKETT
Minister of Defence	Des BROWNE
Minister of International Development	Hilary BENN
Minister of Trade and Industry	Alistair DARLING
Central Bank Governor	Mervyn KING
G8 Sherpa	Oliver Robbins

## Government Structure

Bicameral Legislature. House of Commons (Lower Chamber) has 735 members that are directly elected on a first past-the-post basis. House of Lords (Upper Chamber) consists of 92 members. The Cabinet is headed by the Prime Minister.

The present Labour government was re-elected to a third term in May 2005. Chancellor of Exchequer Gordon Brown will become the Prime Minister of the United Kingdom and Northern Ireland when Prime Minister Tony Blair steps down on 27 June 2007.

## Economic Data

GDP (PPP, 2006)	\$1.903 trillion
GDP per capita (PPP, 2006)	\$31,400
GDP % real change (2006)	2.7%
Recorded unemployment (2006)	2.9%
Exchange rate (Pound per \$, 2006)	0.5418
Foreign Aid (ODA, 2005)	\$10.7 billion
Export Value (2006)	\$468.8 billion
Import Value (2006)	\$603 billion

## Main Exports (2002)

Manufactured goods, fuels, chemicals; food, beverages, tobacco.

## Main Imports (2002)

Manufactured goods, machinery, fuels; foodstuffs.

## Major Trading Partners (2005)

Exports: US 15.1%, Germany 10.5%, France 8.9%, Ireland 7.3%, Netherlands 5.5%, Belgium 5%, Spain 4.4%

Imports: Germany 12.8%, US 8.7%, France 7.1%, Netherlands 6.6%, China 5%, Norway 4.7%, Belgium 4.6%, Italy 4% (2005)

## Background

The Heiligendamm Summit will be Prime Minister Tony Blair's eleventh and final G8 Summit, as the United Kingdom (UK) prepares to begin a new political era, led by the current Chancellor of Exchequer Gordon Brown. Economically, the UK has experienced sustained economic growth and widespread stability.<sup>257</sup> While it faces urban decay, and challenges in the education and health

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<sup>257</sup> How will history judge Blair? BBC News (London), 10 May 2007. Date of Access: 5 June 2007. [http://news.bbc.co.uk/2/hi/uk\\_news/politics/6636091.stm](http://news.bbc.co.uk/2/hi/uk_news/politics/6636091.stm).

care systems, it is widely acknowledged that Prime Minister Blair has made considerable headway on these issues during his time at 10 Downing Street.<sup>258</sup>

The Heiligendamm Summit presents an opportunity for Prime Minister Blair to cement his legacy. As such, he will bring to Heiligendamm, three key priorities that carry from the 2005 Gleneagles Summit. He can be expected to advocate for a strong declaration on climate change, recommit to fulfilling the official development assistance (ODA) targets set at Gleneagles, and support development in Africa. Specifically, the UK will focus the final objective of African development on replenishing the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria, achieving the Education for All Agenda, and promoting good governance in Africa.

## **Summit Objectives**

### ***Objective 1: Climate Change***

Climate change was one of the key themes addressed at the 2005 Gleneagles Summit. At the time, Prime Minister Tony Blair stated that climate change was “probably the single most important issue [facing the] global community.”<sup>259</sup> Expect climate change to be the primary focus for the UK at the 2007 Heiligendamm Summit.

Prime Minister Blair will partner with Germany in an effort to tackle current issues related to climate change. He will push for a declaration that involves some of the world’s greatest industrialized polluters as well as less affluent countries like China and India who are also significant polluters.<sup>260</sup> At a joint press conference with German Chancellor Angela Merkel in Berlin, Prime Minister Blair reaffirmed the UK’s support for a climate change agreement at the G8 Summit.<sup>261</sup>

In particular, success for the UK on the issue would involve a G8 agreement that commits the group (including the US) to stabilizing world temperatures, and cutting greenhouse-gas emissions by 50% below 1990 levels by 2050.<sup>262</sup> The UK will have achieved significant success on climate change if it is able to secure in the agreement, a declaration of support for the use of technology rewards as incentives to prevent deforestation, and the implementation of an energy efficiency program based on the EU plan to cut carbon dioxide emissions by 20% by 2020.<sup>263</sup>

While Germany and the United Kingdom are united in their front to tackle climate change with support from other European members of the G8, they will face difficult opposition at Heiligendamm. Specifically, Canada and the United States will collectively work to decrease the strength of the language presented in the climate change document.<sup>264</sup> Prime Minister Stephen Harper and President George W. Bush are at odds with European states on the goal of stabilizing

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<sup>258</sup> How will history judge Blair? BBC News (London), 10 May 2007. Date of Access: 5 June 2007.

[http://news.bbc.co.uk/2/hi/uk\\_news/politics/6636091.stm](http://news.bbc.co.uk/2/hi/uk_news/politics/6636091.stm).

<sup>259</sup> Working together to counter climate change, G8 Heiligendamm Official Site (Berlin), 13 February 2007. Date of Access: 21 May 2007. [http://www.g-8.de/nn\\_92452/Content/EN/Artikel/2007/02/2007-02-13-merkel-blair\\_en.html](http://www.g-8.de/nn_92452/Content/EN/Artikel/2007/02/2007-02-13-merkel-blair_en.html).

<sup>260</sup> New Global Climate Plan to Tie in Worst Polluters, Mail and Guardian Online, 15 May 2007. Date of Access: 17 May 2007. [http://www.mg.co.za/articlePage.aspx?articleid=308372&area=breaking\\_news/breaking\\_news\\_\\_international\\_news/](http://www.mg.co.za/articlePage.aspx?articleid=308372&area=breaking_news/breaking_news__international_news/).

<sup>261</sup> Working together to counter climate change, G8 Heiligendamm Official Site (Berlin), 13 February 2007. Date of Access: 21 May 2007. [http://www.g-8.de/nn\\_92452/Content/EN/Artikel/2007/02/2007-02-13-merkel-blair\\_en.html](http://www.g-8.de/nn_92452/Content/EN/Artikel/2007/02/2007-02-13-merkel-blair_en.html).

<sup>262</sup> New Global Climate Plan to Tie in Worst Polluters, Mail and Guardian Online, 15 May 2007. Date of Access: 17 May 2007. [http://www.mg.co.za/articlePage.aspx?articleid=308372&area=/breaking\\_news/breaking\\_news\\_\\_international\\_news/](http://www.mg.co.za/articlePage.aspx?articleid=308372&area=/breaking_news/breaking_news__international_news/).

<sup>263</sup> New Global Climate Plan to Tie in Worst Polluters, Mail and Guardian Online, 15 May 2007. Date of Access: 17 May 2007. [http://www.mg.co.za/articlePage.aspx?articleid=308372&area=/breaking\\_news/breaking\\_news\\_\\_international\\_news/](http://www.mg.co.za/articlePage.aspx?articleid=308372&area=/breaking_news/breaking_news__international_news/).

<sup>264</sup> Harper, Bush seen as threat to Climate Change pact, Edmonton Journal, (Edmonton) 18 May 2007. Date of Access: 21 May 2007. <http://www.canada.com/edmontonjournal/news/story.html?id=808d6232-e449-490e-8d37-26a1da6a64cd>.

world temperatures at no more than two degrees Celsius over pre-industrial levels.<sup>265</sup> In addition, they fail to agree on cutting greenhouse gas emissions by 50% below 1990 levels by 2050.<sup>266</sup> While Prime Minister Blair and Chancellor Merkel will aim for a strong declaration on climate change, the divisions among G8 states may produce a significantly diluted statement or no agreement at all.

### **Objective 2: Fulfillment of Overseas Development Assistance Pledges**

Prime Minister Blair has admitted that the G8 has fallen back on its Gleneagles commitment to support African development by failing to double aid to the continent.<sup>267</sup> In 2008, the G8 is expected to increase aid by US1.7- 2.3 billion, a fraction of the approximate US6.2 billion that should be allocated according to 2005 Gleneagles commitments.<sup>268</sup>

At Heiligendamm, Prime Minister Blair will look to reaffirm his commitment to tackle poverty and development in Africa. He can be expected to urge other G8 countries to re-affirm their commitment to meet ODA goals set at Gleneagles. Prime Minister Blair will also likely encourage African states to adopt good governance policies so that countries can have the necessary resources to achieve development. He will be supported by Chancellor Merkel who stated, "the time for setting targets in the international community is over...now it is about delivering and there is a great deal of political credibility at stake...we will live up to our promises."<sup>269</sup>

### **Objective 3: African Development**

At Heiligendamm, Prime Minister Blair will again persuade G8 leaders to meet African development goals such as combating HIV/AIDS and other infectious diseases, achieving good governance in Africa and meeting the Education for All agenda. His continued commitment to these objectives leading up to the 2007 Heiligendamm Summit was directly evident when he was present with German Chancellor Angela Merkel when she received the Africa Progress Panel's (APP) report from former UN Secretary General and Chair of the APP Kofi Annan at a press conference on 24 April 2007.<sup>270</sup> The report discussed ways to halve poverty by 2015 in an effort to achieve the Millennium Development Goals (MDGs). Prime Minister Blair further emphasized the importance of achieving this objective and taking "...a responsible and long-term view of Africa and its need to develop and make progress."<sup>271</sup> On 31 May 2007 in a meeting with former South African president Nelson Mandela, Prime Minister Blair reaffirmed his goal of bringing African development to the attention of G8 leaders once again: "We have to stay with it for the long haul, commit and recommit."<sup>272</sup>

In order for the UK to successfully meet its objectives on African development, the G8 must commit to replenishing the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria. The average funding

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<sup>265</sup> Harper, Bush seen as threat to Climate Change pact, Edmonton Journal, (Edmonton) 18 May 2007. Date of Access: 21 May 2007. <http://www.canada.com/edmontonjournal/news/story.html?id=808d6232-e449-490e-8d37-26a1da6a64cd>.

<sup>266</sup> US seeks Global Warming 'dilution,' Herald Sun (London) 11 May 2007. Date of Access: 21 May 2007. <http://www.news.com.au/heraldsun/story/0,21985,21717090-5005961,00.html>.

<sup>267</sup> German Chancellor Wants G8 to Help Africa, Business Africa Online (Berlin), 23 May 2007. Date of Access: 24 May 2007. [http://www.businessinafrica.net/news/southern\\_africa/810589.htm](http://www.businessinafrica.net/news/southern_africa/810589.htm).

<sup>268</sup> Press Release: Aid working in Africa, but G8 countries seriously off track in meeting promises (Berlin), 15 May 2007. Date of Access: 6 June 2007. [http://www.data.org/news/press\\_20070515.html](http://www.data.org/news/press_20070515.html).

<sup>269</sup> Merkel to press G8 on Africa aid promises (Berlin) 24 May 2007. Date of Access: 24 May 2007. <http://www.alertnet.org/thenews/newsdesk/L24477236.htm>.

<sup>270</sup> Halving Poverty in the World, the Federal Government of the Republic of Germany, (Berlin) 24 April 2007. Date of Access: 23 May 2007. [http://www.g-8.de/nn\\_92452/Content/EN/Artikel/2007/04/2007-04-24-africa-progress-panal\\_\\_en.html](http://www.g-8.de/nn_92452/Content/EN/Artikel/2007/04/2007-04-24-africa-progress-panal__en.html).

<sup>271</sup> Blair warns West will suffer if it fails Africa, IC Publications, (Berlin) 24 April 2007. Date of Access: 24 May 2007. <http://www.africasia.com/services/news/newsitem.php?area=africa&item=070424193217.80pc60xx.php>.

<sup>272</sup> Blair urges greater effort to combat poverty in Africa. IC Publications (Johannesburg), 31 May 2007. Date of Access: 1 May 2007. <http://www.africasia.com/services/news/newsitem.php?area=africa&item=070531121801.k06pl0jl.php>.

need for 2008 sits at approximately US4 billion.<sup>273</sup> The UK will also look for G8 support on the Education for All goals, such as ensuring universal primary education by 2015. The UK will also look to emphasize the responsibility of African states to practice good governance. Success for the UK on these objectives is likely since G8 member states have a long history of supporting responsible and sustainable development in Africa.

**By: Sadia Rafiquddin**

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<sup>273</sup> Resource Needs: Funding the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria, The Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria (Geneva), February 2007. Date of Access: 27 May 2007. <http://www.theglobalfund.org/en/files/about/replenishment/oslo/Resource%20Needs.pdf>.

# United States of America

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## Political Data

Head of State, President	George W. BUSH
Vice-President	Dick CHENEY
Secretary of State	Condoleezza RICE
Secretary of Defence	Robert GATES
Secretary of Homeland Security	Michael CHERTOFF
Secretary of the Treasury	Henry PAULSON
Secretary of Justice	Alberto GONZALES
US Trade Representative	Susan SCHWAB
Chairman of the Federal Reserve	Ben BERNANKE

## Government Structure

Federal legislature.

Bicameral: Senate, 100 seats, members are elected on a plurality system for six-year terms; House of Representatives, 435 members elected on a plurality basis for a two-year term.

Elections: Fixed terms; Next presidential elections on 4 November 2008.

## Economic Data

GDP (PPP, 2006)	USD 12.98 trillion
GDP per head (PPP, 2006)	USD 43,500
GDP % real growth rate (2006)	3.4%
Recorded unemployment (2006)	4.8%
Export Value (2006)	USD 1.024 trillion
Import Value (2006)	USD 1.869 trillion
Current Account Balance (2006)	USD 862.3 billion

## Main Exports (2003)

Agricultural products (soybeans, fruit, corn) 9.2%, industrial supplies (organic chemicals) 26.8%, capital goods (transistors, aircraft, motor vehicle parts, computers, telecommunications equipment) 49.0%, consumer goods (automobiles, medicines) 15.0%.

## Main Imports (2003)

Agricultural products 4.9%, industrial supplies 32.9% (crude oil 8.2%), capital goods 30.4% (computers, telecommunications equipment, motor vehicle parts, office machines, electric power machinery), consumer goods 31.8% (automobiles, clothing, medicines, furniture, toys).

## Major Trading Partners (2005)

Exports: Canada 23.4%, Mexico 13.3%, Japan 6.1%, China 4.6%, UK 4.3%  
Imports: Canada 16.9%, China 15%, Mexico 10%, Japan 8.2%, Germany 5%

## Background

In the mid-term elections of November 2006, the Democratic Party won a majority of seats over the reigning Republican Party in both the House of Representatives and the Senate. This shift in the American political landscape has been attributed predominately to perceived failures in the Republican-led United States (US) administration with respect to the ongoing war in Iraq. President George W. Bush, who is serving the last half of his second term as president, has come under scrutiny for his management of the war effort and recent public opinion polls rank his

presidential approval rating at the lowest recorded levels in almost 30 years.<sup>274</sup> President Bush is therefore under immense pressure to shore up support for aid and reconstruction efforts in Iraq, which has been an agenda item at previous summits, such as Evian and Sea Island. However, given the lack of international popular support for the conflict in Iraq (and the handling thereof), the United States is likely to seek consensus at Heiligendamm under the auspices of a broader thematic agenda, namely Middle East regional peace and security.

The president will also likely re-affirm American commitments to Africa, specifically with respect to AIDS initiatives and the ongoing conflict in the Darfur region. The US will also play a pivotal role in the outcome of any G8 statements on climate change, with President Bush advocating for public spending on environmental technologies as opposed to setting targets for carbon emissions or global warming. President Bush will link environmental technologies with energy security – using the language of innovation, investment and sustainability, he will suggest that investing in environmental technologies may reduce worldwide dependence on fossil fuels. Finally, in light of the nuclear weapons program in North Korea, the uranium-enrichment program in Iran, and speculation that Egypt may reconsider re-opening its domestic nuclear weapons program, the United States will likely continue to lead the discussion on stemming the proliferation of weapons of mass destruction and the materials and means used to produce such weapons.

## **Summit Objectives**

### ***Objective 1: Middle East***

The US will likely continue to lead the call for regional peace and security in the Middle East, with President Bush seeking statements of support from the G8 for the ongoing operations in Afghanistan and Iraq. President Bush will emphasize his administration's commitment to a two-state solution in Israel/Palestine and will note his concern over the violence in Gaza. He will likely discuss the humanitarian needs of the Palestinian people and the need to stem conditions of poverty and humiliation in Gaza and the West Bank.<sup>275</sup> The US may also lobby the G8 to release a statement indirectly condemning Tehran for alleged interference in US operations in Iraq, as well as supporting Hezbollah militants in southern Lebanon, thus further destabilizing peace and security in the region.

The president will ask the G8 to reaffirm its support for the efforts of NATO forces operating in Afghanistan by acknowledging, as it has in previous summits, the "commitment of [G8 member state] governments to the establishment of a sovereign, stable and prosperous Afghanistan with democratic institutions and a government representative of all Afghan people, respecting their internationally enshrined human rights."<sup>276</sup> He will push for a similar statement of support from the G8 which reaffirms the commitments made to Iraq at Gleneagles, specifically with respect to the fostering of democracy and pluralism in a unified Iraq and the condemnation of terrorism and the associated loss of civilian life.<sup>277</sup> The US will also likely continue to seek support for aid and reconstruction efforts in Iraq.

Success with respect to this objective will be based the issuance of statements of support from the G8 for democracy and security in Afghanistan and Iraq, as well as support for a two-state solution in Israel/Palestine. It is likely that such statements will be made; however, given that these issues are not among the German Presidency's priorities for Heiligendamm, it is unlikely that they will receive substantial attention at the summit.

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<sup>274</sup> Bush hits all-time low, Newsweek, (Washington DC), 8 May 2007. Date of Access: 12 May 2007. <http://www.msnbc.msn.com/id/18505030/site/newsweek/>.

<sup>275</sup> President Bush Participates in Joint Press Availability with United Kingdom Prime Minister Blair, Office of the Press Secretary, (Washington DC), 17 May 2007. Date of Access: 19 May 2007. <http://www.whitehouse.gov/news/releases/2007/05/20070517.html>.

<sup>276</sup> G8 Foreign Ministers' Statement On Afghanistan, G8 Summit Kananaskis 2002, (Kananaskis), 12 June 2002. Date of Access: 13 May 2007. <http://www.g7.utoronto.ca/foreign/fm130602a.htm>.

<sup>277</sup> G8 Statement on Iraq, G8 Summit Gleneagles 2005, (Gleneagles), 8 July 2005. Date of Access: 13 May 2007. <http://en.g8russia.ru/g8/history/gleneagles2005/9/>.

## **Objective 2: Africa**

Given that the German Presidency has selected Africa as a priority for Heiligendamm, the US is likely to reaffirm its commitments to Africa, particularly with respect to its commitments to stemming the spread of AIDS and addressing the crisis in the Darfur region of Sudan.

President Bush will likely articulate his continuing support for the United States President's Emergency Plan for AIDS Relief (PEPFAR), which was established in 2003 and represents a "five-year, USD15 billion, multifaceted approach to combating the disease [HIV/AIDS] around the world."<sup>278</sup> In his 2007 State of the Union address, the president stated that "We must continue to fight HIV/AIDS, especially on the continent of Africa."<sup>279</sup> This statement ostensibly foreshadows the course the US will pursue with respect to discussing Africa at Heiligendamm. The president will likely seek to ensure the continuation of PEPFAR and other programs which facilitate the distribution of anti-retroviral drugs to Africa.

In addition to AIDS relief, President Bush will also engage other G8 leaders on the issue of peace and security in Darfur. In a joint press conference with Prime Minister Blair on 17 May 2007, the president underscored the need for more concrete action in Darfur. He stated that he was "frustrated at the inability for the international community to react with consequence in Darfur."<sup>280</sup> The president also advocated a "strategy of moving forward with sanctions, and hopefully a new, stronger United Nations resolution."<sup>281</sup> It is likely that the US will use Heiligendamm as an opportunity to discuss sanctions against Khartoum and seek consensus around a new UN resolution regarding Darfur.

Given that the Bush administration's Africa agenda centres on the crisis in Darfur, success with respect to this objective can best be evaluated based on whether the US is able to lobby the G8 to support new initiatives aimed at pressuring Khartoum to restore peace and order in western Sudan. In particular, success on the US Africa agenda will hinge on whether the G8 will support a new UN resolution to this effect. Although the US is likely to receive approval for its AIDS initiatives in Africa, it is unlikely that any significant actions will emerge from Heiligendamm with respect to levying further sanctions against Khartoum. Furthermore, African peace and security has been high on the agenda of G8 summits in the past – particularly at Gleneagles, where the G8 and African Union pledged to "see an end to the crisis in Darfur."<sup>282</sup> Although the US may lead the call for renewed international action in Darfur, it is unlikely that Heiligendamm will result in a statement from the G8 that is more substantive than the commitment made at Gleneagles. At most, the US will convince the G8 to recommit itself to ending the crisis, but it is highly improbable that any statements arising directly from Heiligendamm will mention any specific mechanisms for doing so.

## **Objective 3: Climate Change and Energy Security**

The US will play a pivotal role in shaping the language that emerges from Heiligendamm around climate change, particularly given the opposition of the Bush administration to the German Presidency's goal of imposing a 2°C limit on global warming and reducing global greenhouse gas emissions to 50 percent of 1990 levels by 2050.

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<sup>278</sup> About PEPFAR, United States President's Emergency Plan for AIDS Relief, (Washington DC). Date of Access: 19 May 2007. <http://www.pepfar.gov/about/>.

<sup>279</sup> President Bush Delivers State of the Union Address, Office of the Press Secretary, (Washington DC), 23 January 2007. Date of Access: 19 May 2007. <http://www.whitehouse.gov/news/releases/2007/01/20070123-2.html>.

<sup>280</sup> President Bush Delivers State of the Union Address, Office of the Press Secretary, (Washington DC), 23 January 2007. Date of Access: 19 May 2007. <http://www.whitehouse.gov/news/releases/2007/01/20070123-2.html>.

<sup>281</sup> President Bush Delivers State of the Union Address, Office of the Press Secretary, (Washington DC), 23 January 2007. Date of Access: 19 May 2007. <http://www.whitehouse.gov/news/releases/2007/01/20070123-2.html>.

<sup>282</sup> G8 Congratulates African Union on Work in Darfur, US Department of State, (Washington DC), 8 July 2005. Date of Access: 17 May 2007. <http://usinfo.state.gov/ei/Archive/2005/Jul/08-579540.html>.

At UN-hosted climate change meeting held on 17 May 2007 in Bonn, Germany, the chief U.S. climate negotiator, Harlan Watson, confirmed that the United States will continue to reject emissions targets or plans to cap greenhouse gas emissions, stating "We don't believe targets and timetables are important, or a global cap and trade system."<sup>283</sup> The Bush administration has stated repeatedly that emissions limits or carbon trading markets will jeopardize economic growth.

The approach of the Bush administration has been to link climate change with energy security and focus on approaches to address the latter. On 14 May 2007, following a meeting with the Administrator of the Environmental Protection Agency, Secretaries of Transportation and Agriculture, and the Deputy Secretary of Energy, President Bush stated that US dependence on oil "creates a risk for [the US] economy, because a supply disruption anywhere in the world could drive up American gas prices to even more painful levels."<sup>284</sup> He went on to articulate that American dependence on oil "creates a threat to America's national security, because it leaves us more vulnerable to hostile regimes, and to terrorists who could attack oil infrastructure."<sup>285</sup> The president also acknowledged the harmful impact of greenhouse gas emissions on the environment. He went on to note that his administration had channelled USD12 billion into research examining alternative sources of energy, suggesting that "advances in technology are creating new ways to improve energy security, strengthen national security, and protect the environment."<sup>286</sup> The US also supports the expansion of nuclear power as part of the energy security agenda.<sup>287</sup>

It is highly probable that the US will forward an approach at Heiligendamm which models that of the Bush administration, i.e. that investment in innovative environmental technologies are more feasible for purposes of sustainability than is a global cap and trade system. President Bush is therefore likely to voice opposition to any declaration which sets firm targets on greenhouse gas emissions. However, the president is faced with mounting political pressure to work constructively with the other G8 states on the issue of climate change. Internationally, both Chancellor Merkel and Prime Minister Blair have lobbied President Bush to accept a cap and trade declaration.<sup>288</sup> Domestically, fifteen Democratic congressional leaders, all of whom serve as heads of committees that deal with global warming in the House of Representatives, issued an open letter to President Bush on 18 May 2007. The letter expressed "deep concern" at what is viewed as an attempt by the president to "weaken a proposed G8 declaration regarding global climate change."<sup>289</sup>

Despite this pressure, President Bush is still likely to disavow any language that sets emissions targets, but mounting pressure may create a space for compromise. A spokeswoman for the White House Council on Environmental Quality stated that there was "increasing common ground" on the issue of climate change in the run-up to Heiligendamm.<sup>290</sup> She acknowledged that "We agree that climate change, sustainable development, economic growth and energy security must all be

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<sup>283</sup> Take firmer G8 climate stance, Democrats urge Bush, Reuters, (Washington DC), 19 May 2007. Date of Access: 20 May 2007. [http://in.today.reuters.com/news/newsArticle.aspx?type=worldNews&storyID=2007-05-19T082203Z\\_01\\_NOOTR\\_RTRJONC\\_0\\_India-298958-1.xml](http://in.today.reuters.com/news/newsArticle.aspx?type=worldNews&storyID=2007-05-19T082203Z_01_NOOTR_RTRJONC_0_India-298958-1.xml).

<sup>284</sup> President Bush Discusses CAFE and Alternative Fuel Standards, Office of the Press Secretary, (Washington DC), 14 May 2007. Date of Access: 19 May 2007. <http://www.whitehouse.gov/news/releases/2007/05/20070514-4.html>.

<sup>285</sup> President Bush Discusses CAFE and Alternative Fuel Standards, Office of the Press Secretary, (Washington DC), 14 May 2007. Date of Access: 19 May 2007. <http://www.whitehouse.gov/news/releases/2007/05/20070514-4.html>.

<sup>286</sup> President Bush Discusses CAFE and Alternative Fuel Standards, Office of the Press Secretary, (Washington DC), 14 May 2007. Date of Access: 19 May 2007. <http://www.whitehouse.gov/news/releases/2007/05/20070514-4.html>.

<sup>287</sup> The G8's Risky Nuclear Embrace, The Nation, (New York), 16 July 2006. Date of Access: 17 May 2007. <http://www.thenation.com/doc/20060731/hertsgaard2>.

<sup>288</sup> Merkel G8 drive under threat before key summit, Reuters, (Washington DC), 21 May 2007. Date of Access: 21 May 2007. <http://www.alertnet.org/thenews/newsdesk/L21496294.htm>.

<sup>289</sup> Take firmer G8 climate stance, Democrats urge Bush, Reuters, (Washington DC), 19 May 2007. Date of Access: 20 May 2007. [http://in.today.reuters.com/news/newsArticle.aspx?type=worldNews&storyID=2007-05-19T082203Z\\_01\\_NOOTR\\_RTRJONC\\_0\\_India-298958-1.xml](http://in.today.reuters.com/news/newsArticle.aspx?type=worldNews&storyID=2007-05-19T082203Z_01_NOOTR_RTRJONC_0_India-298958-1.xml).

<sup>290</sup> Take firmer G8 climate stance, Democrats urge Bush, Reuters, (Washington DC), 19 May 2007. Date of Access: 20 May 2007. [http://in.today.reuters.com/news/newsArticle.aspx?type=worldNews&storyID=2007-05-19T082203Z\\_01\\_NOOTR\\_RTRJONC\\_0\\_India-298958-1.xml](http://in.today.reuters.com/news/newsArticle.aspx?type=worldNews&storyID=2007-05-19T082203Z_01_NOOTR_RTRJONC_0_India-298958-1.xml).

addressed at the same time... So really our challenge and our opportunity here is developing an approach that is appropriate for all the major emitting countries."<sup>291</sup>

Notwithstanding the rhetoric of compromise, a leaked version of the US response to the G8 draft declaration on climate change demonstrates firm resolve on the part of the Bush administration to veto any language that suggests the implementation of caps on emissions or the establishment of long-term targets for greenhouse gases. The US revisions to the draft declaration on climate change remove any reference to the implementation of measures aimed at cutting emissions, noting that the "treatment of climate change [by the German Presidency] runs counter to our overall position and crosses multiple 'red lines' in terms of what we simply cannot agree to."<sup>292</sup> The US comments go on to argue that, "the proposals within the sections titled 'Fighting Climate Change' and 'Carbon Markets' are fundamentally incompatible with the President's [Bush] approach to climate change."<sup>293</sup> Given this position, it is likely that the US will subvert any attempt by the German Presidency to implement its goals regarding the of imposition of a 2°C limit on global warming and the reduction of global greenhouse gas emissions to 50 percent of 1990 levels by 2050.

Instead, on 31 May 2007, the Bush administration released its own plan to address climate change. The plan would bring together the countries with the highest emissions in an attempt to reach a consensus and set goals around stemming climate change. It would also reduce tariff barriers for the transfer of environmental technologies across state borders. Approximately 15 countries would be invited to partake in the plan, including China and India, and it is intended to replace the Kyoto framework as opposed to working within it.<sup>294</sup> White House spokeswoman Dana Perino acknowledged that the US strategy for consensus on long-term goals for reducing the greenhouse gases would not take effect before the end of 2008. The US is set to reject the German Presidency's proposed plan for implementing limits on emissions at Heiligendamm in favour of its own initiative.<sup>295</sup>

The US will achieve success on the climate change objective if it is able to stymie the issuance of a G8 declaration that sets explicit limits on greenhouse gas emissions. Furthermore, success on this objective will be contingent on the ability of the US to convince other G8 member states to sign on to the Bush administration's climate change plan.

#### **Objective 4: Nuclear Non-Proliferation**

Given the salience of nuclear weapons in the international arena since St. Petersburg, the US will most likely press the issue of non-proliferation at Heiligendamm.

President Bush will lobby the G8 to impose further sanctions against Iran in light of its ongoing uranium enrichment program. On 9 May 2007, US Undersecretary of State Nicholas Burns said at the G8 political directors meeting in Berlin on 10 May 2007 that if Tehran had not moved to suspend enrichment by the opening of the Heiligendamm summit, it "would be time to increase

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<sup>291</sup> Take firmer G8 climate stance, Democrats urge Bush, Reuters, (Washington DC), 19 May 2007. Date of Access: 20 May 2007. [http://in.today.reuters.com/news/newsArticle.aspx?type=worldNews&storyID=2007-05-19T082203Z\\_01\\_NOOTR\\_RTRJONC\\_0\\_India-298958-1.xml](http://in.today.reuters.com/news/newsArticle.aspx?type=worldNews&storyID=2007-05-19T082203Z_01_NOOTR_RTRJONC_0_India-298958-1.xml).

<sup>292</sup> US Review of G8 Draft Statement on Climate Change and Energy Efficiency, G8 2007 Summit Heiligendamm, (Heiligendamm), 25 May 2007. Date of Access: 1 June 2007. <http://weblog.greenpeace.org/makingwaves/G8%20Summit%20Declaration%20-%20US%20comments%20May%2014-1.pdf>.

<sup>293</sup> US Review of G8 Draft Statement on Climate Change and Energy Efficiency, G8 2007 Summit Heiligendamm, (Heiligendamm), 25 May 2007. Date of Access: 1 June 2007. <http://weblog.greenpeace.org/makingwaves/G8%20Summit%20Declaration%20-%20US%20comments%20May%2014-1.pdf>.

<sup>294</sup> Bush unveils climate strategy ahead of G8, Reuters, (London), 31 May 2007. Date of Access: 4 June 2007. <http://www.reuters.com/article/topNews/idUSWBT00706020070531?feedType=RSS>.

<sup>295</sup> Bush unveils climate strategy ahead of G8, Reuters, (London), 31 May 2007. Date of Access: 4 June 2007. <http://www.reuters.com/article/topNews/idUSWBT00706020070531?feedType=RSS>.

sanctions.”<sup>296</sup> President Bush will likely seek a statement condemning Iran and demanding compliance from Tehran with the IAEA Board of Governors Resolution of 4 February 2006 and UN Security Council Resolutions 1696, 1737 and 1747, all of which demand the immediate suspension of Iran’s uranium enrichment program pending a review by the IAEA. Furthermore, the US will most probably call for further sanctions against Iran.

President Bush will also seek a unified statement from the G8 which calls on North Korea to continue on the course towards disarmament and disassembly of its nuclear program. He will press that any such statement should encourage North Korea to abide by the agreements that have emerged from the Six-Party Talks.

The US will note its continued support for the Global Partnership Program, despite the tensions that have emerged between the Americans and Russia over the handling of the program. President Bush will also likely discuss his missile defence plans in Europe, an issue which has stirred further tensions between the US and Russia.<sup>297</sup> On 4 June 2007, at a meeting with journalists from G8 member states, President Putin warned that Russia would target Europe if the US continued to expand its nuclear potential across Europe.<sup>298</sup> The US has played down the Russian threat, and President Bush will very likely engage President Putin on the topic at Heiligendamm.

The US will likely receive support from the G8 around the call for compliance from Iran with the various resolutions calling for the immediate cessation of its uranium enrichment program. Given the unanimous support from the UN Security Council for Resolution 1747, which was passed on 24 March 2007, as well as earlier actions by the EU aimed at freezing the assets of 23 Iranian entities involved in nuclear and missile work,<sup>299</sup> it is likely that the US will receive support at the G8 for the current sanctions levied against Iran. It is unlikely, however, that a consensus will be reached regarding the shape and scale of such sanctions, particularly given Russia’s resistance to imposing further sanctions on Iran and its role in the construction of the light water power reactor at Bushehr. Although any statement emerging from Heiligendamm regarding Iran will likely carry the threat of sanctions as a future option aimed at forcing compliance with international resolutions, it is improbable that clearly delineated sanctions will emerge from the summit.

It is also likely that the G8 will release a statement supporting the decision by Kim Jong-Il to decommission North Korea’s nuclear program and the G8 will almost certainly issue a statement reaffirming its support for the Global Partnership.

The US will achieve success on this issue if it is able to secure the support of the G8 in condemning the Iranian and North Korean nuclear ambitions, urging both Tehran and Pyongyang to cease any activities which might conceivably be tied to a nuclear weapons program. Furthermore, the US will need to diffuse and mitigate tensions with Russia over the ballistic missile defence program in order to achieve success with respect to this objective.

**By: Cliff Vanderlinden**

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<sup>296</sup> Six world powers meet over Iran's nuclear defiance, Reuters News, (Washington DC), 10 May 2007. Date of Access: 12 May 2007. <http://www.alertnet.org/thenews/newsdesk/L10612399.htm>.

<sup>297</sup> Russia Asks US To Clarify Its Missile Defense Plans In Europe, RIA Novosti, (Moscow), 17 October 2006.

Date of Access: 22 May 2007.

[http://www.spacewar.com/reports/Russia\\_Ask\\_US\\_To\\_Clarify\\_Its\\_Missile\\_Defense\\_Plans\\_In\\_Europe\\_999.html](http://www.spacewar.com/reports/Russia_Ask_US_To_Clarify_Its_Missile_Defense_Plans_In_Europe_999.html).

<sup>298</sup> Russia will target Europe if US defences expand: Putin, ABC News, (New York), 4 June 2007. Date of Access: 5 June 2007. <http://www.abc.net.au/news/newsitems/200706/s1941186.htm>.

<sup>299</sup> More Iran sanctions being discussed, Wisconsin Project on Nuclear Arms Control, (Wisconsin), 10 May 2007. Date of Access: 17 May 2007. <http://www.iranwatch.org/update/index.html>.

# European Union

## Political data

### *European Commission*<sup>300</sup>

<b>Portfolio(s)</b>	<b>Commissioner</b>	<b>Member State</b>
President	José Manuel Durão BARROSO	Portugal
First Vice-President; Institutional Relations & Communication Strategy	Margot WALLSTRÖM	Sweden
Economic & Financial Affairs	Joaquín ALMUNIA	Spain
Vice-President; Enterprise & Industry	Günter VERHEUGEN	Germany
Vice-President; Justice, Freedom & Security	Franco FRATTINI	Italy
Vice-President; Transport	Jacques BARROT	France
Vice-President; Administrative Affairs, Audit & Anti-Fraud	Siim KALLAS	Estonia
Internal Market & Services	Charlie McCREEVY	Ireland
Agriculture & Rural Development	Mariann Fischer BOEL	Denmark
Competition	Neelie KROES	Netherlands
Trade	Peter MANDELSON	United Kingdom
Fisheries & Maritime Affairs	Joe BORG	Malta
Environment	Stavros DIMAS	Greece
Health	Markos KYPRIANOU	Cyprus
Development & Humanitarian Aid	Louis MICHEL	Belgium
Enlargement	Olli REHN	Finland
Employment, Social Affairs & Equal Opportunities	Vladimír ŠPIDLA	Czech Republic
Taxation & Customs Union	László KOVÁCS	Hungary
Financial Programming & the Budget	Dalia GRYBAUSKAITĖ	Lithuania
External Relations & European Neighbourhood Policy	Benita FERRERO-WALDNER	Austria
Education, Training, Culture	Ján FIGEĽ	Slovakia
Regional Policy	Danuta HÜBNER	Poland
Energy	Andris PIEBALGS	Latvia
Science & Research	Janez POTOČNIK	Slovenia
Information Society & Media	Viviane REDING	Luxembourg
Consumer Protection	Maglena KUNEVA	
Multilingualism	Leonard ORBAN	

### **Member States (27)**

Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, UK; candidate countries: Croatia, Macedonia, Turkey

<sup>300</sup> The Commissioners – Profiles, Portfolios, and Homepages, European Commission, (Brussels), Date of Access: 14 May 2007, [http://ec.europa.eu/commission\\_barroso/index\\_en.htm](http://ec.europa.eu/commission_barroso/index_en.htm)

## **Governmental/Administrative structure**

**Council of the European Union:** 27 member-state ministers having 345 votes; in some issue areas, votes are proportional to member-states populations.

**European Commission:** 27 members, one from each member country; each responsible for one or more policy areas); president of the European Commission designated by member governments and confirmed by European Parliament; president selects Commissioners, European Parliament confirms entire Commission for five-year term; last confirmation 18 November 2004 (next in 2009).

**European Parliament:** Representative body holding 785 seats (as of 1 January 2007); seats allocated among member states by proportion to population; members elected by direct universal suffrage for five-year term.

## **Economic data**

GDP (purchasing power parity)	USD12.82 trillion (2006 est.)
GDP – per capita (purchasing power parity)	USD 29,400 (2006 est.)
GDP – real growth rate	2.8% (2006 est.)
Unemployment rate	8.5% (2006 est.)
Rate of exchange	1 EUR = 1.3445 USD One USD = 0.7438 EUR (25 May 2006)
Economic aid - donor	ODA, USD64 billion (2006 est.) <sup>301</sup>
Exports	USD1.33 trillion (2005) <sup>302</sup>
Imports	USD1.466 trillion (2005) <sup>303</sup>

## **Background**

While the G8 nations will be led by their respective heads of state and government going into the 2007 Heiligendamm G8 Summit, the European Union will have its interests and objectives advanced by the so-called EU Troika: José Manuel Barroso, European Commission President, summit host German Chancellor Angela Merkel and the High Representative for Common Foreign and Security Policy Javier Solana. On 1 January 2007, Germany assumed the presidencies of both the G8 and the European Council.<sup>304</sup> One of the three pillars of the European Union is its Common Foreign and Security Policy (CFSP) and as such, EU members endeavour to coordinate foreign affairs goals and actions. Germany, in its role as President of the Council, is responsible for speaking for the other members of the Council in international fora. At the G8 Summit, both Merkel and Barroso will represent EU interests among other heads of state and government. Javier Solana will support their efforts, particularly among meetings of G8 Foreign Ministers, for instance, at the meetings planned for 30 May 2007. Thus, in assessing the European Union's goals for G8 Summit outcomes, it will be useful to consider not only the goals of European Commission representatives, including Barroso, but also the goals of EU Member States and particularly Germany, to the extent that those goals and objectives are in line with those of other member states.

<sup>301</sup> EU remains top aid donor in 2006: OECD, EU Business, (Richmond, UK), 2 April 2007, Date of Access: 14 May 2007. <http://www.eubusiness.com/Finance/oecd-eu-aid.2/>. This sum includes donations of European Commission and all Member States, as well as one-off debt cancellations for Iraq and Nigeria.

<sup>302</sup> Figure excludes intra-EU trade.

<sup>303</sup> Figure excludes intra-EU trade.

<sup>304</sup> The first Germany holds through 31 December 2007 while the second is held through 30 June 2007.

## **Objective 1: Climate Change**

Climate change has been placed near the top of the G8 "Growth and Responsibility" agenda. German Sherpa Dr. Bernd Pfaffenbach highlights "climate protection" as a key goal<sup>305</sup> for the summit. This goal mirrors the long-term EU objective of seeking agreements on post-2012 climate change initiatives.<sup>306</sup> The overriding concern for the EU is to ensure that G8 members reach a consensus on how to tackle greenhouse gas emissions.

Going into the summit, the EU had three key goals in this issue area, which included seeking G8 statements of support for (1) a UNFCCC-based, post-2012 international climate change regime that (2) sets ambitious GHG emissions reduction targets which will (3) specify a maximum target global temperature rise over some period of time.

The European Commission set out the EU's broad policy goals on climate change on 10 January 2007.<sup>307</sup> This plan outlined a number of key features of the EU's international goals. Firstly, it highlights that the EU supports a "post-Kyoto climate regime" that must be put in place after the Kyoto Protocol's targets expire in 2012. It also highlights that this international regime should set an ambitious target of 30% reductions in greenhouse gas emissions over 1990 levels by 2020. A key goal for the EU will also be to include support of a 2 degree Celsius limit to global average temperature increases over the next century.<sup>308</sup>

The EU and its organs have acted ahead of the summit to fulfill these objectives. The EU and its Member States on 9 March 2007 approved a plan to reduce their own GHG emissions by 20% by 2020 unilaterally, or up to 30% in the context of a multilateral partnership.<sup>309</sup> That same plan endorsed a global maximum target of 2 degrees Celsius rise in temperatures.<sup>310</sup> The EU has taken this step in part to gain leverage in discussions on an international climate regime. Merkel said in referring to the EU GHG reductions plan on 7 March 2007 that "Europe can be a role model ... [the] United States, China, India and the big emerging countries must follow".<sup>311</sup> Recently, Merkel said, "I hope that the [G8] summit will send a clear signal with an eye to the negotiations in Indonesia and what we will do once the Kyoto Protocol runs out in 2012."<sup>312</sup> Barroso said as late as 24 May 2007 said that "The summit at Heiligendamm is an important stepping stone on the way to a global response to climate change" and he highlighted that "We have put our cards on the table; with our invitation to the other industrialized countries to jointly cut our emissions by 30% by 2020 ... This target is crucial if we are to ensure that global temperatures do not exceed pre-industrial levels by more than 2°C".<sup>313</sup>

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<sup>305</sup> Growth and responsibility: Leitmotif for Germany's G8 presidency, German Federal Government, (Berlin), Date of Access: 19 May 2007, <http://www.g-8.de/Content/EN/Artikel/2007/03/Anlagen/2007-03-01-g8-schlaglichter-en.property=publicationFile.pdf>, p. 6

<sup>306</sup> The programme was developed as an 18-month plan across the presidencies of all three nations. See: 18 month programme of German, Portuguese, and Slovenian Presidencies, Council of the European Union, (Brussels), 21 December 2006, Date of Access: 14 May 2007. [http://www.eu2007.de/includes/Download\\_Dokumente/Trio-Programm/trioenglish.pdf](http://www.eu2007.de/includes/Download_Dokumente/Trio-Programm/trioenglish.pdf), p. 8.

<sup>307</sup> Commission proposes an integrated energy and climate change package to cut emissions for the 21st Century, European Commission, (Brussels), 10 January 2007. Date of Access: 28 May 2007. <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/07/29>.

<sup>308</sup> Limiting global climate change to 2 degrees Celsius - The way ahead for 2020 and beyond, Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, (Brussels), 10 January 2007, Date of Access: 28 May 2007. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52007DC0002:EN:NOT>.

<sup>309</sup> EU agrees renewable energy target, BBC News, (London), 9 March 2007. Date of Access: 1 June 2007. <http://news.bbc.co.uk/2/hi/europe/6433503.stm>.

<sup>310</sup> EU action against climate change: Leading global action to 2020 and beyond, European Commission, (Brussels). Date of Access: 26 May 2007. [http://ec.europa.eu/environment/climat/pdf/eu\\_action\\_against\\_climate\\_change.pdf](http://ec.europa.eu/environment/climat/pdf/eu_action_against_climate_change.pdf), p. 5

<sup>311</sup> EU climate meeting foreshadows German G8 push, Reuters News, (London), 7 March 2007. Date of access (on Factiva): 25 May 2007.

<sup>312</sup> Merkel hopes G8 summit will contribute to climate accord, Agence France Presse, (Paris), 10 May 2007. Date of access (on Factiva): 25 May 2007.

<sup>313</sup> José Manuel Durão Barroso, The EU: ending the doubts on energy and climate change, IFRI energy programme, European Union, (Brussels), 24 May 2007. Date of Access: 25 May 2007.

The prospects for success on this issue, however, look very bleak, particularly in the face of US opposition to any of the EU's major goals on this issue. A joint EU-US Summit in April 2007 failed to bridge the gap; the statement supported technological development and recognized different countries' circumstances.<sup>314</sup> The Washington Post has recently reported that the G8 climate change declaration, as of 26 May 2007, remains the only unresolved issue going into the Heiligendamm Summit and that the United States remains opposed to any language that supports a UN-backed climate regime, one that has any absolute targets or one that sets a 2 degree Celsius rise in global temperature as a limit.<sup>315</sup> In fact, Merkel herself has apparently been conservative about the prospects for bridging this gap, saying on 24 May 2007, "I can say quite openly that today I don't know if we will succeed in that at Heiligendamm."<sup>316</sup> Even more recently, European Commission sources suggested that "the conditions were not in place" for a climate change compromise with the US, and instead the climate change objective for the EU had instead shifted to simply bringing "G8 partners as close as possible to the goal and objectives approved by the EU in March."<sup>317</sup>

### **Objective 2: Africa**

Africa is another key issue up for discussion at the G8 Summit. Recently, European Commission sources have confirmed that the EU would like to "reiterate their very strong financial and political support for development in Africa."<sup>318</sup> EU representatives will seek to fulfill a number of key objectives in this portfolio. In particular, the EU will look for (1) commitments to fulfill existing Official Development Assistance (ODA) and debt reduction targets for African nations, and (2) continued funding of initiatives such as the Global Fund to Fight AIDS, Tuberculosis and Malaria.

The EU will likely seek re-affirmations of support for the Gleneagles commitment to debt reduction and the fulfillment of ODA goals. After a 25 April 2007 meeting with UN Secretary General Kofi Annan, Merkel said that "We are going to take things up where Gleneagles ended... We don't need to have more conferences and set more goals." On 24 May 2007, Barroso met with John Kufour, president of Ghana and current president of the African Union, with the objective of highlighting aid.<sup>319</sup> In a letter to Merkel dated the same day, Barroso criticized European nations like Germany, which counted debt forgiveness to meet aid targets.<sup>320</sup> Furthermore, in a reply to a December letter from German Pope Benedict XVI, Merkel committed herself to debt cancellation.<sup>321</sup>

On HIV/AIDS, the EU is likely to seek new commitments to replenish the Global Fund. On 27 March 2007, German Development Minister Heidemarie Wieczorek-Zeul said that the G8 leaders will announce more funding for AIDS at the summit, stating that "We have to replenish the Global Fund to Fight AIDS. It is important that the G8 makes a contribution."<sup>322</sup> European Commission sources

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<http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/07/332&format=HTML&aged=0&language=EN&guiLanguage=en>.

<sup>314</sup> Press Release: EU-US Summit, Washington, European Union, (Brussels), 30 April 2007. Date of Access: 27 May 2007.

<http://europa.eu/rapid/pressReleasesAction.do?reference=PRES/07/96&format=HTML&aged=0&language=EN&guiLanguage=en>.

<sup>315</sup> U.S. Rejects G-8 Climate Proposal, Washington Post, (Washington DC), 26 May 2007. Date of Access: <http://www.washingtonpost.com/wp-dyn/content/article/2007/05/25/AR2007052501952.html>

<sup>316</sup> Germany may give up G-8 call for anti-global warming targets, Kyodo News, (Tokyo), May 21, 2007. Date of access (on Factiva): 26 May 2007.

<sup>317</sup> European Commission expectations for the Heiligendamm summit, Agence Presse, (Paris), 1 June 2007. Date of Access (through Factiva): 3 June 2007.

<sup>318</sup> European Commission expectations for the Heiligendamm summit, Agence Presse, (Paris), 1 June 2007. Date of Access (through Factiva): 3 June 2007.

<sup>319</sup> Meeting between José Manuel Barroso, President of African Union and "voices of development aid" to raise G8 awareness, Agence Europe, (Brussels), 22 May 2007. Date of Access (through Factiva): 29 May 2007.

<sup>320</sup> EU urged to respect development aid promises, EU Business, (Richmond UK), 24 May 2007. Date of Access: 29 May 2007. [http://www.eubusiness.com/news\\_live/1180026003.45](http://www.eubusiness.com/news_live/1180026003.45).

<sup>321</sup> Pope calls on G8 summit to cancel debt for poorest, Khaleej Times, (Dubai), 24 April 2007.

[http://www.khaleejtimes.com/DisplayArticleNew.asp?xfile=data/theworld/2007/April/theworld\\_April603.xml&section=theworld&col=](http://www.khaleejtimes.com/DisplayArticleNew.asp?xfile=data/theworld/2007/April/theworld_April603.xml&section=theworld&col=)

<sup>322</sup> G8 mulls more micro-credit help, more AIDS funding for Africa, Agence France Presse, (Paris), March 27, 2007. Date of Access (through Factiva): 29 May 2007.

have also confirmed their support for this agenda item, alongside initiatives in fighting tuberculosis and malaria.<sup>323</sup> The EU also expects the summit to confirm previous commitments on the subject of African development made at the Gleneagles and St. Petersburg summits.<sup>324</sup>

The potential for EU success on this issue is high. There are no significant disagreements on meeting existing targets that the G8 has supported in the past, particularly at Gleneagles.

### **Objective 3: Energy Security**

Energy security was the signature summit item at the 2006 St. Petersburg Summit, and continues to be a recurrent topic of international discussions between G8 countries. As treated in St. Petersburg, commitments on energy security ranged from the physical security of energy supplies to traditional energy efficiency measures.

On 24 May 2007, at a conference of the French Institute for International Relations, Barroso publicly outlined the EU's energy security agenda for the Heiligendamm summit. "On energy, I want the G8 Summit Declaration to endorse the EU's proposal for an international agreement on energy efficiency." On 15 May 2007, at a meeting of the International Energy Agency (IEA), EU energy commissioner Andris Piebalgs floated an international agreement on energy efficiency. Elements of such a plan could include, according to Piebalgs "regulatory cooperation; information exchange on energy saving strategies; methods of measurement; and research cooperation on energy efficient technologies."<sup>325</sup> Piebalgs also suggested that "G8 Gleneagles Dialogue could function as a governing board for the agreement and the IEA, which is already supporting the Gleneagles Plan of Action...[It] could play an important role as the executive body charged with studying and monitoring its implementation."<sup>326</sup> This is the first and primary energy security objective of the EU going into the summit. Barroso has also suggested two secondary objectives: "to include the introduction of energy efficiency labels for new cars"...and "to support national and international efforts in the field of carbon capture and storage...with a view to ensuring security of storage and the provision of the necessary legal framework."<sup>327</sup>

The EU has also voiced its concern with its troubled energy supply relationship with fellow G8 member, Russia. In discussing the EU position on energy security, Barroso noted the difficulties in energy relations with Russia, and hoped for their continued improvement.<sup>328</sup> Dramatically, the EU refused on 1 June 2007 to sign the joint energy policy statement between Russia and UNESCO that was directed towards the upcoming G8 summit in Heiligendamm. This statement was the outcome of the Russian-organized "Energy in a Changing World" conference that was at least partly aimed at trying to sustain the energy security dialogue initiated at the St. Petersburg Summit. The rejection of the final statement seems even the more remarkable because of the statement's apparent "blandness."<sup>329</sup> It thus signals a deep rift between the EU and Russia in advance of the 2007 summit.

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<sup>323</sup> European Commission expectations for the Heiligendamm summit, Agence Presse, (Paris), 1 June 2007. Date of Access (through Factiva): 3 June 2007.

<sup>324</sup> European Commission expectations for the Heiligendamm summit, Agence Presse, (Paris), 1 June 2007. Date of Access (through Factiva): 3 June 2007.

<sup>325</sup> IEA Ministerial meeting: Andris Piebalgs calls for an International Agreement on Energy Efficiency, European Union, (Brussels), 15 May 2007, Date of Access: 25 May 2007. <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/07/671&type=HTML>.

<sup>326</sup> IEA Ministerial meeting: Andris Piebalgs calls for an International Agreement on Energy Efficiency, European Union, (Brussels), 15 May 2007, Date of Access: 25 May 2007. <http://europa.eu/rapid/pressReleasesAction.do?reference=IP/07/671&type=HTML>.

<sup>327</sup> José Manuel Durão Barroso, The EU: ending the doubts on energy and climate change, IFRI energy programme, European Union, (Brussels), 24 May 2007. Date of Access: 25 May 2007. <http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/07/332&format=HTML&aged=0&language=EN&guiLanguage=en>.

<sup>328</sup> EU to aim for energy-savings agreement at G8, Euractiv News, (Brussels), 25 May 2007. Date of Access: 25 May 2007. <http://www.euractiv.com/en/energy/eu-aim-energy-savings-agreement-g8/article-164033>.

<sup>329</sup> EU to aim for energy-savings agreement at G8, Euractiv News, (Brussels), 25 May 2007. Date of Access: 25 May 2007. <http://www.euractiv.com/en/energy/eu-aim-energy-savings-agreement-g8/article-164033>.

While not specifically referring to Russia, the EU had previously emphasized their continued concern with energy supply issues during the US-EU summit on 1 May 2007. There, the EU, represented jointly by Merkel and Barroso, reiterated its desire that energy markets become more transparent. General measures suggested to facilitate this goal included "effective access to markets, possibilities for capital investments at all stages of the energy-supply chain, and the establishment of competitive markets."<sup>330</sup> The EU will likely seek to embed all of these measures in the final energy security documents.

Prognosis for the success of energy security on the Heiligendamm agenda seems poor. On one hand with, with the United States likely to be isolated from the other G8 members on the issue of climate change, all sides will be keen to find consensus on at least some environment or energy related issue. Energy efficiency measures, which enjoy broad popular support among all G8 countries, could provide a popular compromise that emerges from this deadlock. That said, the ambitious international energy efficiency framework that the EU is proposing has recently drawn criticism from the US. The White House has publicly opposed the EU proposal because "a standard applicable in one country does not fit another."<sup>331</sup> On balance, the EU's energy efficiency framework could easily be a second, less publicized victim, of the environmental policy frictions between the US and other G8 members.

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<sup>330</sup> USA, EU favour transparency of world energy markets, ITAR-TASS World Service, (Moscow), 31 May 2007. Date of Access (via Factiva): 31 May 2007.

<sup>331</sup> Bush calls on 15 countries to set global emission goal by 08, Ireland Online, (Dublin), 31 May 2007, Date of Access: 31 May 2007. <http://breakingnews.iol.ie/news/story.asp?j=221137556&p=zzyy38z6z>.