

# **A Summit of Significant Success: Prospects for the G8 Leaders at Lough Erne**

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Introduction	2
Significance	2
The Debate	2
Puzzles	3
The Argument	4
Plans and Preparations	5
The Host's Vision	5
The G8 Foreign Ministers, London, April 10-11, 2013	6
G7 Finance Ministers and Central Bank Governors, Aylesbury, May 10-11	10
Multistakeholder Meetings	11
The Dementia Initiative	11
The Momentum from Compliance with Camp David's Commitments	12
The Prospective Achievements	12
Achievements in Advance	12
Achievements to Arrive	15
Dimensions of Performance	18
Domestic Political Management	19
Deliberation: Private Conversation and Public Conclusions	19
Direction Setting: Principled Consensus	20
Decision Making: Precise Commitments	20
Delivery: Post-Summit Compliance	20
Development of Global Governance: International Institutional Construction	20
Causes	21
Shock-Activated Vulnerability	21
Multilateral Organizational Failure	24
Predominant Equalizing Capability	24
Common Principles	25
Domestic Politics	25
Compact Controlled Participation	26
References and Bibliography	27
Appendix A: G8 Performance, 1975-2012	30
Appendix B: G8 Compliance, 1996-2011	32
Appendix C: Agenda for the G8 Lough Erne Summit	35
Appendix D: Summit Bilateral Meetings	37
Appendix E: New Money Mobilized	38
Appendix F: Shock-Activated Vulnerability	39

## Introduction

### Significance

The 39th annual G8 summit, hosted by British prime minister David Cameron in Lough Erne, Northern Ireland, on June 17-18, 2013, promises to be a significant event in several ways. With its central themes of trade, tax and transparency, it explicitly returns the G8 summit to its traditional economic agenda, and thus to a closer, more cooperative relationship with the newer G20 ones. It enriches the G8's historic accomplishments in development, by mobilizing money for nutrition and moving beyond more development assistance to emphasize good governance, the rule of law, domestic resource mobilization and accountability in developing countries themselves. In its formidable political security agenda, it seeks to deepen democracy and human rights by stopping the escalating slaughter in Syria, combatting terrorism within and beyond G8 countries, reinforcing the political and economic transformation in North Africa and the Middle East after the Arab Spring, extending it to Mali and other conflict-afflicted African states, and supporting it in Myanmar and reforming polities beyond and preventing the proliferation of nuclear weapons in Iran and North Korea.

Moreover, the G8's Northern Ireland location, a first for summits hosted in the United Kingdom, symbolizes the progress the G8 has made in fostering peace and prosperity together in its own once-troubled communities at home. It substantively shows that a warm, welcoming, creative, innovative Northern Ireland is open for business, culture exchange and community building with the world as a whole. The summit thus offers hope to a troubled world that deadly sectarian violence and terrorism, as recently seen in Boston and London, can indeed be removed. It constitutes an authentic, multidimensional expression of the G8's core mission to globally promote open democracy, individual liberty and social advance.

### The Debate

In the lead-up to Lough Erne, the prospects for its success have been the subject of a debate among several competing schools of thought.

The first school foresees a failure due to the absence of China, India, Brazil, Saudi Arabia and other emerging powers, the consequent poor global predominance in capabilities and the absence of a U.S. or successor country able and willing to lead a G-zero world (Bremmer 2013).

The second school sees a poor performance, due to the failings of its host leader and the lack of influence in foreign policy of his domestic coalition partner, the Liberal Democrats. Hugo Dobson (2013) acknowledges that David Cameron has set ambitious goals for Lough Erne on his trade agenda, but argues that his "role as a leader and innovator in Gx summitry appears overhyped" as his "contribution to global summitry has lacked originality, vision, and coherence". A variant sees big promises but poor

delivery, due to the G8's poor predominant capability, the members' budget deficits and the absence of China (Renton 2013).

The third school sees a small, selective success, with some success assured due to the failure of the G20, the G8's predominant specialized capability in aid, weak global growth to spur advances on trade and tax, the advance achievement of doubling aid on nutrition, and host David Cameron's full engagement for weeks (Elliot 2013b). But success will be limited due to the late engagement of Cameron, absence of Gleneagles-like civil society pressure, austere economic times, the absence of any survivor save Russian president Vladimir Putin from the 2005 Gleneagles Summit and, the rise of China, India and Brazil and their impact on the United States (Elliot 2013a, b). Early progress had come only on the free trade agreement between the European Union and the United States, but not on development, hunger, transparency, tax evasion, the Doha round of trade negotiations and inequality.

A fourth school sees considerable progress possible (Donaghy 2013). This is due to the summit's broad agenda for deliberation and the useful start on its key issue of tax fairness, despite the differences among members over Syria and the difficult negotiations in store as a result. A variant saw less success than Gleneagles due to new leaders, poor growth, less civil society pressure and less diplomatic drive than Tony Blair and Gordon Brown had in 2005, but a good start due to agreements in advance on tax avoidance and the possibility that by making tax avoidance transparent a triumph could yet come (Guardian 2013).

A fifth school sees maximum potential due to Cameron's design of a summit that gives it the best chance of success. Nicholas Bayne (2013) writes "in preparing for the 2013 event at Lough Erne, David Cameron has drawn on the UK's past experience to prepare a summit that can make the most of the G8's current potential." This includes an isolated site, a simple format with few lead-up ministerial meetings, and a short and focused agenda, all designed to make the summit a personal instrument of the heads. Others saw a "gathering in excelsis" that could achieve much on trade, tax, transparency and terrorism (Irish Times 2013).

### **Puzzles**

However, these schools present several puzzles. The first places too much emphasis on the single cause of relative capability configurations and the second on only two causes, the personal skill and legislative control of the host leader. Both ignore the contribution of other leaders and the broader forces in the world and at home that can drive them to success. The third broadens the list of causes and consequence a little, but neglects the great demand for global governance that can spur G8 leaders to high performance, across the economic, development and security domains, at a time when shocks require action and other international institutions have failed. The fourth emphasizes only the design of the summit itself as a cause of success, and neglects other designs that have produced great summit success in the past. And none of these schools is grounded in an explicit, tested and proven causal model of what has produced high G8 summit performance in the

past. This study thus draws on the well-developed and tested concert equality model of G8 governance to arrive at a different view (Kirton 1989, 1993).

### **The Argument**

Lough Erne is likely to be a summit of significant success, with important advances on most of its six key issues of trade, tax, transparency, nutrition. Syria and terrorism. In the lead-up it has already produced substantial progress in advancing the EU-U.S. trade negotiations, in moving many long-closed jurisdictions to greater automatic exchange of tax information, and in having the United States and Russia set aside their different approaches to Syria to sponsor a peace conference that could succeed where United Nations efforts have failed. The lead-up has also brought the United Kingdom's and France's decision to join the Extractive Industries Transparency Initiative (EITI) and moves on sexual violence and other initiatives from G8 foreign ministers, which leaders will build on at Lough Erne. At the summit there will likely be further moves on free trade, with the prospective completion of the EU-Canada agreement, as well as movement on tax evasion and avoidance and transparency; on dementia, food security and accountability; and on Syria, terrorism and the proliferation of weapons of mass destruction (WMD). Together this progress will show that the G8 is an effective, full-strength, unique summit that can provide badly needed global public goods across a wide front. It is likely to perform better than most G8 summits in the past 38 years, even though it will suffer from the inevitable comparisons to the strong success the last time the UK hosted, under Tony Blair at Gleneagles in 2005 (see Appendix A).

Propelling this significant performance is first the escalating sequence of shocks, notably from a Syria that is becoming a regional conflict and a terrorist haven where chemical weapons could be used, and from terrorists that have struck in Mali, Algeria, Boston, London and Dagestan as the summit approached. The old multilateral institutions of the UN have failed in Syria and Mali and against home-grown terrorism. Second, the World Trade Organization (WTO) and the G20 have failed to produce the trade liberalization and tax fairness that is a deficit-friendly way of fuelling global economic growth. Third, the G8 countries still retain a majority of market-measured global economic power and predominance in military, trade, financial and development domains, while within the group the relatively increasing U.S. power could be offset in some cases by the world-leading soft power that Germany, Canada, Britain and Japan bring. Yet all members remain committed to basic democratic principles as these apply to the priority issues at Lough Erne. Fourth, while the leaders of the United States, Japan, Germany and Britain lack full control of their legislatures, their domestic political capital, control and summit experience are high. Finally, the Lough Erne location and apparent absence of invited outsiders should allow leader to be alone together to act as an interpersonal club to pull together to address the most difficult and demanding problems in the world.

## Plans and Preparations

### The Host's Vision

The British host began his summit by publicly presenting his vision at an early stage. In an opinion piece published in several leading newspapers in G8 countries on November 20, 2012, he announced that the G8 still mattered as its members contain about half of the world's gross domestic product (GDP) and share a belief in free enterprise to drive growth, and thus can set standards and make commitments to help solve vital issues in the world.

He thus sought to “support the development of open economies, open governments and open societies to unleash the power of the private sector: advancing trade, ensuring tax compliance, and promoting greater transparency.” On trade he sought to finalize an EU-Canada free trade agreement, to launch an EU-U.S. one covering nearly a third of global trade, and to launch an EU-Japan one. On tax he wished to support the G20 on strengthening standards and information exchange, particularly on tax havens, and to help developing countries collect the taxes they are owed. On transparency he pledged to have the UK spend 0.7% of GDP on official development assistance (ODA) in 2013, to hold other countries accountable for their promises, and to improve food and nutrition through a meeting a few days before the summit's start. He further sought to support the rule of law, end conflict and corruption, and promote property rights and strong institutions by having oil, gas and mining firms publish financial information on each of their companies and projects.

On the summit process, Cameron pledged there would be no lengthy communiqué and no large delegations, and there would be only one table and one conversation among the leaders themselves, to hold one another to account and transform good intentions into action. The summit held in Lough Erne would showcase Northern Ireland as a place open for business, investment and tourism and would inspire those around the world that differences could be overcome.

When the UK formally acquired the G8 chair on January 1, 2013, Cameron (2013b) expanded on his vision in a letter to his fellow G8 leaders. Noting that 2013 would be a time of “grave economic uncertainty” he reiterated his three priorities but emphasized long-term changes, rather than a “Summit where we simply whip out a chequebook at the 11th hour, pledge some money and call it a success.” His trade agenda expanded to include Russia, now in the WTO, a WTO agreement on trade facilitation at its ministerial meeting in December, freer trade in Africa and working with business on trade. On transparency he highlighted corruption and poor business practices, money laundering, bribery, the Construction Sector Transparency Initiative, a global land transparency initiative, the EITI, transparency in aid flows, and the New Alliance for Food Security and Nutrition. Publicly, while promising an “economic G8,” he noted foreign policy challenges, supporting Arab Spring countries and producing a comprehensive accountability report.

Cameron's speech at the World Economic Forum in Davos on January 24 added new details and items, with foreign policy now taking centre stage (Cameron 2013c). He pledged to act against extremism and terrorism erupting in Mali and Nigeria, al Qaeda in Afghanistan and Pakistan, Yemen, Somalia and parts of Africa, to promote democracy and free media, to support the Arab Spring and to have G8 countries divide up some of the work. He called for competitiveness through cutting debts, business taxes and welfare bloat while improving education. On tax he called for more multilateral deals on automatic information exchange, declaring "no tax base — no low tax case." On transparency he wanted details on company and land ownership and financial flows. On hunger and nutrition he set a target of funding programs for 20 million children and pregnant women over the next few years. Referencing his position as co-chair of the UN's High-Level Panel of the Post-2015 Development Agenda and noting that extreme poverty had been cut from more than one half to a fifth in 30 years, he evocatively declared: "We can be the generation that eradicates absolute poverty in our world."

Almost four months later, on May 13, Cameron (2013d) publicly noted restoring growth as his top priority, starting with a comprehensive trade deal between the EU and U.S. and freer trade in Africa. He highlighted the illicit diamond trade in Sierra Leone and Liberia and need for governments and firms to report all resource revenues and who owns the firms. Meeting with U.S. president Barack Obama that day at the White House, he began with the deadly terrorist attacks in Boston, Afghanistan, the EU-U.S. free trade agreement and ambitious action for economic growth at Lough Erne. He also highlighted Syria, with 80,000 dead and 5 million homeless (White House 2013).

### **The G8 Foreign Ministers, London, April 10-11, 2013**

The G8 foreign ministers had by then met, in London on April 10-11, both to prepare the political-security agenda for the Lough Erne Summit and to deal with several issues on their own. Attending were British foreign secretary William Hague as host, recently appointed John Kerry of the United States and Fumio Kishida of Japan, veterans Guido Westerwelle of Germany, John Baird of Canada, Sergei Lavrov of Russia, Catherine Ashton of the European Union, Laurent Fabius of France and Mario Monti of Italy. Just prior to the G8 meeting the foreign ministers of the UK, France and the U.S. met for lunch with members of the opposition Syria National Council (SNC), which had recently been named by the Arab League as the government of Syria. Several bilateral meetings between individual G8 foreign ministers were also held.

The G8 gathering, starting on Wednesday evening and running through the next day, featured an unusually broad and ambitious agenda. It was led by the current threats from Syria, North Korea and Iran, which the ministers focused on at their opening dinner on the first day. The agenda included five priorities set by the United Kingdom host: the Preventing Sexual Violence Initiative as the personal priority of Hague; Somalia, in an effort to get the international financial institutions (IFIs) involved in a supportive way; cyberspace and security; the Deauville Partnership with Arab Countries in Transition; and Burma, in order to advance a UK-initiated effort to stimulate international investment. It extended to conflicts in the Sahara-Sahel, Algeria and Mali, as well as terrorism, the Middle East and the Israeli-Palestinian peace settlement, African security

in countries such as the Central African Republic and the Congo, Somalia, WMD non-proliferation, Afghanistan, the conventional arms trade, drug abuse and climate change.

In the end the G8 foreign ministers' meeting was one of meaningful advance. The ministers made several important political security issues somewhat better, and made none worse. They did best on advancing the UK host's five pre-set priorities, which flowed directly from the G8's foundational mission of globally promoting open democracy, individual liberty and social advance. They inched forward on the most intractable issues of the day, notably with unified determination on North Korea and convergence on Iran, but far less so on Syria, an intractable issue that would require the authority of leaders at the summit itself to advance. And on the rest of the broad agenda they showed that the G8 continued to support the major advances toward democratization in Africa and beyond, in part by building the economic and social foundations on which democracy and human rights depend. At the same time, they explicitly worked in support of the United Nations and the full global community represented there.

The ministers began their discussions by addressing the current central conflicts, where deadly violence, proliferation of weapons destruction, and their potential and actual use were at stake.

On Syria, which dominated the first day, the challenge was to bring the UK and France — which wished to provide more support and arms to the Syrian opposition and stiffen UN sanctions against the embattled Assad regime — closer to Russia and, to some extent, Germany, which stood opposed. The U.S. and EU were providing non-lethal aid and distributing food and medical supplies but not arms to the Free Syrian Army. Yet despite these differences, there was a substantial basis for consensus. All G8 members agreed on the need to implement the Geneva communiqué issued by the UN's Action Group for Syria in June 2012 and thus to stop the violence, begin negotiations among the Syrian parties to its civil war and provide major humanitarian relief for the families of the 70,000 already killed and the millions of Syrians now displaced. Just before the meeting Russia declared that it did not support any party to the conflict, signalling a possible shift from its earlier support of the Assad regime. There were also grounds for agreeing on the need to insert a UN mission, ready in nearby Cyprus, to investigate claims that chemical weapons had been used by the Assad regime at Homs and by the rebels in Aleppo.

After dinner, Lavrov indicated that all agreed that a continuing conflict would only help extremists and terrorists in the region, a claim given by new credence by the announcement from al Qaeda on the eve of the meeting that it was working with one of the Syrian-armed opposition groups. Lavrov suggested that those G8 foreign ministers who met with SNC members would start negotiating with Assad without preconditions. Kerry said the U.S. was considering stepping up support for the rebels, as Obama was moving to supply body armour and night-vision goggles, if not arms. Hague said Britain was committed to a political solution to the conflict but the UK and France seemed poised to end an EU embargo against supplying arms to the rebels when it expired at the end of May.

<p>At the end of the meeting, including in the short and rather general passage in its vigorously negotiated communiqué, there was a clear, common desire to end the conflict. But there were few signs of any effective practical measures to implement the Geneva settlement, let alone take more dramatic steps to end a conflict already in its third year. While G8 members were inching toward rather than away from consensus, the issue of Syria would be left for the leaders themselves to decide in June, and to do so in way where the military and political position on the ground inside Syria at that time would probably induce Russia to adjust more to the other G8 members' view.</p>

<p>On North Korea, also discussed at the opening dinner, unity rather than division dominated. In the lead-up to the meeting, North Korea had mounted a campaign of escalating threats against South Korea, Japan and the United States, starting with nearby Guam, including a promise of imminent nuclear attack.</p>

<p>In response all G8 members stood united on all the fundamental points: that North Korea must obey its UN and international obligations; that it should reduce and stop its threats; and that a firm deterrent response was required, including imposing UN-authorized sanctions and not evacuating its diplomatic personnel from G8 members with embassies in Pyongyang, as North Korea had advised. The only somewhat discordant note came from Lavrov, who, while saying he had “no differences” with the United States, suggested a stop to scary military manoeuvres by unnamed parties that would raise tensions and perhaps have the conflict spiral out of control.</p>

<p>In their communiqué passage on North Korea, G8 ministers “condemned in the strongest possible terms the continued development of its nuclear weapons and ballistic missile programmes.” Indeed, they pledged to take “further significant measures in the event of a further launch or nuclear test by the DPRK [Democratic People’s Republic of Korea].” Such a display of determined deterrence was a sharp contrast to the past practice of rewarding North Korea for its aggressive behaviour by providing it with more aid. At the same time, the G8 offered to resume a dialogue with North Korea, an act of reassurance designed to damped any danger that the lack of communication could escalate the conflict into a war that no one wanted. Importantly, in its efforts the G8 stood united not only among its members but also with the UN as a whole, whose authority it repeatedly invoked and for whose resolutions it offered full support.</p>

<p>With this overwhelming unity the G8 sent a clear, single, strong and new message to North Korea and its new, young, untested leader to stop its escalating sequence of provocations. The outstanding challenge, as usual, was how to have the regime hear and correctly interpret the message and take the intended action, or simply wait the new escalatory sequence out in the hope that it would diminish as others often had before.</p>

<p>On Iran — with its continuing nuclear program, which has brought it ever closer to a weapons capability — the challenge was how to respond to the failure of the latest session of the Six Party Talks, held the previous week. Russia admitted that the talks had seen no major shifts in Iran’s position, but insisted that the dialogue held promise, and



demanded a gradual, mutual approach through political dialogue rather than through more sanctions or the threat of military force. However, Russia joined its G8 partners in insisting on Iran's full implementation of the relevant resolutions on the UN Security Council (UNSC) and the board of governors of the International Atomic Energy Agency (IAEA).

In their communiqué, G8 foreign ministers “expressed their deep concern regarding Iran’s continuing nuclear and ballistic missile activities in violation of numerous UN Security Council and IAEA Board of Governors resolutions” (G8 Foreign Ministers 2013). While agreeing on the need for a negotiated solution, they noted that “talks cannot continue indefinitely” and asked for Iran to address the concerns of the international community “promptly.” They further demanded that Iran uphold human rights, including the freedom of religion and the media, and stop arbitrary executions, torture and support for terrorism and terrorist groups.

On the five thematic priorities the British host had set and prepared for the meeting, there was significant success.

On preventing sexual violence in conflict situations, an issue that has been labelled “the slave trade of our generation,” the British host secured all that he had hoped to achieve (Kulik 2013). Ministers issued a separate, lengthy “Declaration on Preventing Sexual Violence in Conflict.” In it they went well beyond the initial British emphasis on data gathering and prosecution, in response to concerns expressed by non-governmental organizations (NGOs) about the complexity of the issue and the need for a comprehensive approach. The G8 ministers raised at least \$36 million in new money to support the work, although much more will be needed to cope with the magnitude of the task. And they supported the work of both the UN and celebrities in this quest. Beyond this central initiative, the value and concerns of women and girls were addressed in many other parts of the main communiqué.

On Somalia the British succeeded in their objective of engaging the IFIs. As the communiqué stated, “ministers agreed to provide high-level political support to the process of Somalia’s re-engagement with the World Bank, the African Development Bank, and the International Monetary Fund [IMF]” (G8 Foreign Ministers 2013). The very next day the IMF announced that it recognized Somalia’s new government, after a 22-year rupture. Recognition would allow the IMF to provide policy advice and technical assistance, although not funding until Somalia cleared its \$352 million in outstanding debts owed the IMF. G8 action was contingent on the Somali government living up to its obligations for accountability and transparency, in support of one of the three British priorities for the summit as a whole.

On cyberspace and cyber security, ministers addressed an issue that U.S. intelligence agencies had recently placed as the number-one security threat replacing the terrorist one, and about which Obama had recently spoken directly to Chinese president Xi Jinping. G8 ministers affirmed the importance of a “safe, open and accessible Internet” as an “essential tool” for “prosperity, freedom, democracy and human rights” as well as

economic growth, innovation and social benefits (G8 Foreign Ministers 2013). In doing so they brought the once skeptical American to fully support the work of the G8 that the French had pioneered as host of the 2011 G8 summit in Deauville.

On the Deauville Partnership, foreign ministers showed their determination to support the process of democratization and development in difficult regions where steady, long-term work as needed for the goals to be achieved. They focused on specific initiatives such as support for small and medium-sized enterprises and on mobilizing funds to produce the development that would help embed the democratic transformations in societies where opposition had appeared.

On Burma/Myanmar, ministers supported the ongoing democratic transformation through development assistance and investment, along with transparency and accountability. Again they worked at one with the UN, specifically where the UN Global Compact and Guiding Principles on Business and Human Rights were concerned.

### **G7 Finance Ministers and Central Bank Governors, Aylesbury, May 10-11**

G7 finance ministers and central bank governors gathered for their pre-summit meeting at Aylsbury, outside London, on May 10-11. It was an informal encounter, not designed to produce a communiqué. It dealt in turn with global economic growth and stability, monetary and fiscal policy, banking and financial regulation, trade, employment and taxation. In all, the meeting was noteworthy for its consensus on macroeconomic conditions and policies, strong overlap with and support for the work of the G20, and the move toward consensus on the UK priorities on tax.

In the lead-up, members were publicly divided over fiscal consolidation, with the United States backed by France, Italy and Japan in urging more immediate stimulus, and Germany, Britain and Canada resisting such a move. Some observers also wondered whether Japan's recent massive monetary easing would receive criticism or support.

In the end the participants agreed that the eurozone crisis was receding and economic growth returning, although at a fragile and uneven pace. On monetary policy they reaffirmed their February commitment to aim monetary easing at domestic stimulus and not at managing the exchange rate for competitive advantage. On fiscal policy they agreed, in the words of British exchequer George Osborne (2013) as chair, the "importance of having in place credible country-specific, medium-term fiscal consolidation plans for ensuring sustainable public finances and sustainable growth, and the need to focus on structural deficits so as to ensure the near-term flexibility, such as by allowing automatic stabilisers to work."

On financial regulation, they agreed that the banks should have adequate capital and credit flows, the need for a banking union in Europe, faithful implementation of the G20 agenda and swift completion of work to ensure that no banks were too big to fail. They also called for consistent implementation of reforms on derivatives and shadow banking, as well as new trade agreements and moves to increase employment.

<p>On tax they agreed on the need for collective action to control tax avoidance and evasion, discussing “a new multilateral global standard on the automatic exchange of information based on FATCA [Foreign Account Tax Compliance Act] and action to improve the transparency of legal structures” (Osborne 2013).</p>

### **Multistakeholder Meetings**

Further momentum for success came from a series of multistakeholder meetings. The G8 International Conference on Open Data for Agriculture took place Washington DC, April 9, 2013. A Transparency for Development Seminar was held on May 21. And the Business Eight (B8) leaders met in London on May 21, pledging critical private sector support for Cameron’s priorities on trade, tax and transparency.</p>

<p>These were due to be followed by a Social Impact Investment Conference on June 6, a conference on Nutrition for Growth: Beating Hunger through Business and Science in London on June 8, a G8 science meeting in London on June 12, 2013, an innovation conference on June 14, and, as the culmination, the G8 Tax, Trade and Transparency Event in London on June 15, right on the summit’s eve. These represented an effort to bring in a broad coalition of supportive civil society stakeholders to support the priorities of the British host.

### **The Dementia Initiative**

In mid May the UK added a new item and initiative that brought health back onto the G8 agenda after its virtual absence the previous year. On May 15 the Prime Minister’s Office and Department of Health announced the G8 would try to agree on a new international approach on dementia research, which was becoming the biggest burden on healthcare systems and costs world-wide. A “G8 dementia summit” would be held in London among health and science ministers, experts, industry and the Organisation for Economic Co-operation (OECD) to foster global collaboration in dementia research, drug development, therapies and treatments. The initiative would internationalize Cameron’s domestic “Dementia Challenge” launched a year ago. The move would bring G8 health ministers together for the first time since 2006 and G8 science ministers after a much longer absence. It also showed how G8 health initiatives on non-communicable diseases could help with medium- and long-term fiscal consolidation.</p>

<p>Inspiring the UK initiative were the high and rising costs of dementia care. Globally they were already \$604 billion in 2010, or 1% of global GDP, and rising quickly, as the number of patients is projected to increase from 35.6 million in 2013 to an estimated 65.7 million in 2030 and 115.4 million in 2050 (UK Department of Health and Prime Minister’s Office 2013). This issue is particularly important to G8 countries with aging and shrinking populations, above all Japan, Germany and Italy. In Japan, 25% of 30.79 million people over the age of 65 have some symptoms of senility, with 15% or 4.62 million having dementia and another 4 million having milder forms, and the rate much higher among women and those over age 85 (Kyodo 2013). Controlling dementia also brings broader benefits to multicultural, multilingual societies such as Canada, for while bilingualism could delay the onset of dementia, once it strikes it rapidly removes the

ability of patients to function in their second language. It would also help those in countries beyond, such as China, where an estimated 9 million people suffer from the disease.

### **The Momentum from Compliance with Camp David's Commitments**

A further sign of success is the strong compliance of members with the commitments they made at the 2012 Camp David Summit, relative to their substantial compliance in the past (see Appendix B). The preliminary findings of the annual final compliance report produced by the G8 Research Group showed average compliance with Camp David's 17 priority commitments was 79% (+0.58), an increase from 77% at Deauville in 2011, 73% at Muskoka in 2010 and 77% at L'Aquila in 2009. This rising record was led by the United States with 94%, followed by Germany with 88%, Canada with 86%, and the United Kingdom and France with 83%. As the UK, U.S. and France served as hosts in 2011, 2012 and 2013, this finding confirmed the compliance-boosting hosting effect, suggesting that the UK's compliance with the Lough Erne commitments will be strong as well.

By issue area, complete 100% compliance came in macroeconomics on public-private partnerships, in food and agriculture on the L'Aquila Food Security Initiative, and in health, followed by 95% in productivity, the Non-Proliferation Treaty and export control policies regarding nuclear non-proliferation. This high compliance matched reasonably well the agenda of the Lough Erne Summit, notably the stress on private sector-led growth, food and nutrition, and health (in the form of dementia). With regard to trade, regulatory compliance received a substantial 76%, while enhancing transparency in the realm of energy received 84%.

## **The Prospective Achievements**

### **Achievements in Advance**

One week before the summit started, the leaders seemed likely to produce a summit of significant success, with achievements across all of their formidable, full-strength agenda embracing the economy, security and development, and on their priorities of trade, tax, transparency, Syria and terrorism (see Appendix C).

The magnetic pull effect of the forthcoming summit had already helped produce worthy advances on all these summit priorities and on a broader array of agenda items beyond. Although other causes helped produce these down payments — and a detailed process tracing is required to specify the relative salience and path of these summit “pull effects” — knowledge of how members have behaved in the lead-up to past summits and both the content and context of these advance announcements strongly suggest they can be counted as achievements of the summit itself.

### ***Trade***

On trade, Canada and the EU are working on a framework agreement for their deal that they could announce at the summit. On May 31, Canada ordered its negotiators to remain in Brussels at least until June 8 to try to reach agreement on the few but most difficult items that remained. These included access to the European market for more Canadian beef and access to Canada for European cheese and provincial and municipal public procurement contracts outside of the social services sphere.

On the EU-U.S. deal, for which both sides want to announce the start of formal negotiations at the summit, on June 5 France threatened to block an EU consensus for this move without an assurance that its “l’exception culturelle” for music, film and perhaps digital media would not be given from the start. This contradicted a core U.S. demand that all items must be on the table at the beginning, even if some could be excluded from liberalization at the end. David Cameron supports the U.S. approach, while France will use this planned summit deliverable to extract a concession for its concern. France has secured the support of 16 other EU members, including Germany, for its principle and points to the low level of public support in France for an EU-U.S. deal. It is probable that a solution could be found, based on protection for traditional cultural industries but not new digital ones, by the time of the Lough Erne Summit.

In the lead-up to Lough Erne, Japan’s Shinzo Abe announced that at the time of the summit he would visit Ireland, the first ever visit of a Japanese prime minister, in order to accelerate the negotiations for an EU-Japan free trade agreement that had begun in April.

### ***Tax***

On tax, in the months before the summit Canada in its budget had created a SWAT team to discover Canadians with money in tax havens, had authorized rewards for whistleblowers of tax cheats and required financial institutions to report international electronic funds transfers of \$10,000 or more. Its House of Commons finance committee, dominated by the governing Conservative Party, had endorse the disclosure of beneficial ownership of firms.

Britain has secured agreement for information exchange with all its overseas territories. The European Council has agreed that automatic exchange of information would be its new norm. In late May Switzerland announced it would allow more Swiss banks to send information about their clients to U.S. prosecutors. Nine countries, including Luxembourg, Austria and Singapore, signed on to a treaty to fight offshore tax evasion, a multilateral convention on mutual administrative assistance that helps tax authorities, particularly in developing countries, find tax cheats. Several developing countries, including Nigeria, Ghana and Burkina Faso, also signed the convention or a letter of intent. This brings the total signatories above 60 countries, for a convention that has taken its present form following the G20 London Summit in 2009. And at the end of May, OECD members authorized the OECD to continue work on new guidelines to end “double non-taxation” and prepare an action plan for the G20 finance ministers’ meeting in July. The OECD will prepare 12 recommendations aimed at having an agreed new regime within two years. Both the OECD’s work and the new regime would cover

double-tax agreements, transfer pricing and the exchange of information between tax jurisdictions.

By June 10, the UK's three Crown dependencies has all agreed to stronger action. Among the Overseas Territories, the Cayman Islands agreed to sign the OECD multilateral convention on tax transparency and information and to attend a meeting in London that Cameron had organized for the weekend before the summit. On June 10 Russia, host of the 2013 G20, announced that an initiative on automatic exchange of information and another on tax base erosion and profit shifting would be added as a separate item to the agenda of its summit in early September.

### ***Transparency***

On transparency, both Britain and France announced that they would join the EITI. By the start of June, Canada had endorsed adopting mandatory reporting of payments by mining and energy firms to federal and local governments, similar to the U.S. FATCA, while cautioning that it had to work with the Canadian provinces, which have jurisdiction over resource royalties and securities law.

On June 12, Canada announced it would establish new mandatory reporting standards for Canadian extractive firms to enhance transparency on the payments they make to governments. It would embrace material payments, including taxes, licence fees and other receipts, by extractive firms to all levels of government at home and abroad. Canada would consult with provincial and territorial governments, First Nations and aboriginal groups, industry and civil society about how to create the most effective regime.

### ***Nutrition***

On food security and nutrition in the development domain,, on May 31 in Cape Town, South Africa, the African Development Bank (AfDB), the U.S. Agency for International Development (USAID) launched the Agriculture Fast Track Fund for Africa, to reinforce the New Alliance for Food Security and Nutrition announced at the 2012 Camp David Summit. The U.S. committed \$15 billion and Sweden \$10 billion, while the AfDB would manage the fund. At the food and nutrition summit held in London on June 8, it was announced that more countries would join the New Alliance for Food Security and Nutrition.

At the Nutrition for Growth Conference that Cameron co-hosted in London on June 8, public and private donors pledged \$4.15 billion over seven years in new money for malnutrition, doubling the annual amount currently spent on this cause to \$900 million a year. The big move came from the EU, which pledged \$4.6 billion over seven years, of which \$500 million was in direct form and the remainder in long-term indirect funds. On June 6 the World Bank tripled its funding for maternal and early childhood nutrition with an increase of \$370 million for the following year. Cameron called G8 countries to make additional pledges, and added £375 million in core funding and £280 million in matched funding over the next seven years. Irish prime minister Enda Kenny pledged an extra \$169 million. Canada announced \$29 million to the Scaling Up Nutrition Initiative.

African countries such as Malawi promised to increase their own spending as well. World Vision promised \$1.2 billion. In all, 24 governments and 28 organizations joined scientific bodies to sign a global nutrition for growth compact. Canada supported Senegal in joining the New Alliance for Food Security and Nutrition.

### ***Syria***

On Syria, U.S. and Russia, hitherto on different sides of the issue, agreed to hold a peace conference, probably in July, to follow on from the one held in Geneva in June 2012. The EU agreed to end its arms embargo, while Britain signalled it would only supply arms to the rebels if the Geneva conference failed. Syria was placed high on the agenda for the Russia-EU summit in Yekaterinburg on June 3-4.

### ***Terrorism***

On terrorism, both the U.S. and Britain strengthened their bilateral information exchanges with Russia.

### ***Accountability***

On accountability, the recently released *African Union Accountability Report on Africa-G8 Partnership Commitments: Delivering Results Toward Ending AIDS, Tuberculosis and Malaria in Africa* shows the G8's success in complying with its AIDS and health commitments and the effectiveness of that work. G8 countries gave 78% of the funding for the Global Fund to Fight AIDS, Tuberculosis and Malaria from 2001 to 2009, helping to secure a 25% reduction in new HIV infections since 2001 and thus reaching Millennium Development Goal (MDG) 6 on HIV/AIDS (Mayake and Sidibé 2013).

The G8 also released its own *Lough Erne Accountability Report: Keeping Our Promises*. It was the first comprehensive report on development since Muskoka in 2010, covering 61 commitments made over the past 11 years. It usefully moved to country-specific reporting of members' compliance.

### **Achievements to Arrive**

#### ***Economy***

On the economy the G8's work starts with the pressing need to return recession-ridden Europe to economic growth and financial stability, to reinforce the still fragile recovery in the United States, Canada and Russia, and to replace deflationary stagnation and high deficits and debts in Japan with sustained growth.

On monetary policy, meeting demands at the start of June by Korea, leaders will briefly discuss the direction and impact of Japan's quantitative easing, while agreeing that it meets their reaffirmed criteria of targeting domestic growth and not external competitive advantage through a lower exchange rate. They will agree there is little need or room for further monetary policy easing, with growth returning in the U.S., volatility afflicting Japan, government bond yields increasing in most G7 countries, and signs of asset bubbles brewing inside and outside the G8.

<p>On fiscal policy, they will agree to let automatic fiscal stabilizers work in weak performers for the moment, but will demand credible medium-term fiscal consolidation plans soon, especially from Japan and the United States.

### ***Trade***

Thus the G8's key instrument will be not ever more discretionary fiscal stimulus and deeper deficits but trade. The leaders are likely to announce the conclusion of the free trade deal between the EU and Canada, at least in a framework form, a deal that could generate an estimated \$28 billion a year in trade and new business. After four long years of negotiations, the issues remaining to be solved are small. Canada wants more access to Europe for its beef and cars, and for European financial firms in Canada to obey Canadian regulations. Europe wants more access to Canada to sell its cheese, branded drugs and infrastructure projects to Canadian federal and provincial governments. Harper is taking a pre-summit tour to London, Paris and Dublin to press his case with his key European colleagues. With Europe in recession and struggling to control growing fiscal deficits, the EU need this new deficit-friendly source of growth more than Canada does. And the EU needs to prove to its skeptical U.S. partners that it can get a deal done so the U.S. will agree at Lough Erne to start the formal negotiations for an EU-U.S. one.</p>

<p>They will likely also announce the opening of formal negotiations for a similar one between the EU and the U.S., probably adding a target date of only a few years for it to get done. To be sure, France is demanding that its cultural industries be excluded from the negotiations before their start. The U.S. is demanding a comprehensive negotiation, with everything on the table at the start, if not at the end. Cameron is satisfied that the existing EU negotiating mandate will protect French and Europe culture in the end. It is likely that a formula will be found to satisfy the French and the U.S. by the time EU trade ministers meet on June 14 to decide formally on their side of a deal for the negotiations to be launched.</p>

<p>Smaller moves should come on talks about the EU-Japan agreement. Some practical support could come to foster free trade with and among African states. European members will usefully pledge support for the Trans-Pacific Partnership embracing the U.S., Canada and Japan. Leaders will also pledge to avoid protectionism and to support the WTO, starting with an agreement on trade facilitation at its ministerial meeting in Bali in December. No action will be taken to initiate a multilateral agreement on investment.

### ***Tax***

As economic growth and fiscal consolidation depend critically on confidence and trust, at Lough Erne the G8 will focus on strengthening fairness in the tax system, by acting against multinational corporations that park their profits in low-tax jurisdictions off shore and corporations and people who avoid or evade paying taxes at home by sending their money to tax havens such as Cyprus or further afield.</p>



Higher standards, more information exchange and modernized approaches to transfer pricing are the instruments that G8 leaders will use to enhance fiscal responsibility and fairness among their corporate and individual citizens in tough economic times. They will adopt multilateral automatic information-exchange systems for themselves and as the new global standard. They will endorse the disclosure of firm- and country-specific revenues raised and taxes paid, and beneficial ownership, if not an inventory of all inter-affiliate financial flows or repository of all contracts signed. They will promise support for the work of the G20 on strengthening financial regulation and supervision at home and a more level regulatory playing field abroad and raise the status of the tax issue for the G20 St. Petersburg Summit in September.

### ***Development***

On development, the leaders' primary tool will be transparency, through reducing conflict, corruption, bribery and money laundering, raising the rule of law, property rights, domestic taxation and good governance in developing countries, and enhancing openness about aid flows, through actions that G8 and their developing country partners can take at home. Having oil, gas and mineral firms provide more information about their finances can help turn the resource curse into a resource cure for the many developing countries with abundant natural wealth. At Lough Erne, other G8 members may agree to join the U.S., UK and France as members of the EITI.

Even if their communiqué remains short as promised by Cameron, G8 leaders will likely pledge full support for reaching the MDGs by 2015 and launching a new round of post-2015 goals.

On food and nutrition, leaders will likely extend and enhance their New Alliance of Food Security and Nutrition. More money from more companies and more participating African governments could well be announced. Discussions on the New Alliance also feed into the G8's work on development and accountability.

### ***Security***

Syria will take centre stage on the political Security agenda. Leaders will reaffirm the Geneva 1 principles, promise support for the prospective Geneva peace conference, and warn strongly against the use of chemical weapons and intrusions from Hezbollah fighters from Lebanon. They will underscore the need to stop the Assad regime's of innocent civilians and to provide badly needed humanitarian relief on a large scale. The provision of more humanitarian relief is likely. Attention will extend to neighbouring Iraq, Lebanon, Turkey and Israel and the ongoing Middle East Peace Process at large. It is possible that all leaders will agree to restrain their arms sales to all sides until the Geneva conference takes place.

Terrorism will share centre stage. It will be directed at the deadly hostage taking and ransom that has erupted in North Africa in Algeria and Mali and the new form of seemingly "lone wolf" and copycat attacks by Muslim radicals in the multicultural societies of the G8. On June 6 Cameron had publicly announced that he wanted G8 leaders at the summit to take a "no ransom" pledge, promising not to pay hostage taking

terrorists money to have their own nationals released. Although France, Italy, Japan and Canada were thought to have done so in the past, unlike the UK whose policy was not to do so, the fact that Cameron had gone public with this initiative strongly suggested that all G8 leaders would agree. The G8 is also likely to agree on an early Cameron initiative on pooling diplomatic resources, with each G8 member leading in different countries, to help governments in the Middle East and Africa build capacity to counter terrorism and the messages they produce.

There will also be meaningful action to promote democratic development across the Middle East and North Africa, through strengthening the Deauville Partnership.

Also receiving attention will be Mali and other conflict and coup-afflicted countries, Myanmar and Afghanistan, where the last combat forces from G8 countries are due to leave soon.

Beyond lies action against nuclear proliferation in Iran and North Korea, and perhaps escalating territorial disputes over small islands in Asia, the South Atlantic and elsewhere.

G8 leaders will also innovatively try to reduce sexual violence against women in conflict zones and elsewhere, endorsing and perhaps building upon what their foreign ministers have agreed.

On accountability the central task is the need to deliver the G8's historic commitments on maternal, newborn and child health, made at its Muskoka Summit in 2015, to help reach these and other MDGs by their fast approaching due date in 2015. Here Cameron's United Kingdom comes to the summit table with impressive credibility and capability, having just reaffirmed its commitment to raise its development assistance to 0.7% of GDP, despite severe fiscal and economic constraints.

The G8 will probably continue its own annual accountability reporting, perhaps on a more comprehensive basis or one targeted to the specific Lough Erne themes. It is possible that the G8 could strengthen its own accountability assessments, either by sending its own draft report out for independent peer review or by joining with the African Union (AU) to produce a joint accountability report on G8 and linked AU commitments to Africa. While Cameron is an aid enthusiast, with his high levels of ODA, he would have to overcome the resistance of countries such as France and Italy, with declining aid and lower compliance as a result.

## **Dimensions of Performance**

Even before the Lough Erne Summit starts, its performance seems successful on the six basic dimensions of governance that such summits produce. While not likely to be as high as that at Gleneagles in 2005, the last summit with Britain as host, it will likely be above the summit norm.

## **Domestic Political Management**

On the first dimension of domestic political management, the summit got off to a good start for its host. Here was one reference to the G8 in the host country's national policy address in the lead-up to Lough Erne. The Queen's Speech on May 8, 2013, noted: "In assuming the Presidency of the G8, my government will promote economic growth, support free trade, tackle tax evasion, encourage greater transparency and accountability while continuing to make progress in tackling climate change" (HM Queen Elizabeth 2013). On June 2 in the *Sunday Times* Cameron (2013a) used the UK's "leading role in the G8" along with its rank as the world's seventh largest economy and fourth largest defence spender to show Scots why they should not separate from Britain in their forthcoming referendum. It was reminiscent of the successful arguments Canada's Jean Chrétien made to Quebecers facing a referendum on separation when he hosted the G7 summit at Halifax in 1995. Locally, on June 4 the *Belfast Telegraph* (2013) wrote: "We'll reap benefits of a successful G8," arguing that it would "be money well spent — and even cheap at the price — if all goes smoothly and the province's ability to host such a politically sensitive and high profile event is proven. It will show that Northern Ireland is open for business and the world leaders will bring a positive image of the province home with them."

Editorial approval began on a positive note. In the first G8-related editorials in the major UK newspapers in the week-long lead-up to the summit, *The Telegraph* on June 10 concluded about Cameron's pre-summit speech, "the Prime Minister is basically right ... 'Cameronism' ... is ... a belief that effort, determination and sacrifice will bring appropriate reward. That is exactly the message that Britain needs to hear."

However, the prospects for successful domestic political management by Cameron suffered a setback on June 5, when many journalists learned that only those travelling with their leaders would be excluded from the summit media centre. They would have little choice but to stay in Belfast or London and cover the many scheduled protests, demonstrations, civil society critics and other possible unfortunate events there, with little opportunity to report first hand on what the G8 leaders were doing and the message they wished to present. This was a sharp contrast to the last time the UK hosted the summit, at Gleneagles in 2005, when an accessible, inclusive Tony Blair succeeded in getting an initially negative media to almost unanimously applaud the summit by its end. The 2013 exclusion also seemed to contradict the principle of transparency that Cameron has set as a central summit theme.

## **Deliberation: Private Conversation and Public Conclusions**

On the second dimension of deliberations, performance is likely to be substantial. In the public component measured by conclusions recorded in communiqués, performance maybe low, given Cameron's promise from the start to produce a short communiqué. But in its private component, performance will likely be strong, as Cameron has designed a compact summit in an isolated resort with one conversation around a single table, where the leaders could be frank. It is also one conducive to the many bilateral meetings among leaders scheduled to take place (see Appendix D)

### **Direction Setting: Principled Consensus**

In its third dimension of principled and normative direction setting, performance will likely be strong. From the start Cameron has grounded his three themes of trade, tax and transparency in the larger context of openness, the rule of law and fairness, principles that relate well to the G8's core mission of promoting, open democracy, human rights and social advance.

### **Decision Making: Precise Commitments**

In its fourth dimension of decision making, performance seems likely to be substantial. It has been unusually strong in the achievements announced in advance of the summit itself, as a result of the pull toward mutual adjustment and agreement that the forthcoming summit exerts.

At the summit, however, it could be modest, as measured by the number of precise, binding, future-oriented collective commitments codified in a communiqué that is expected to be short. But past summits show that even brief communiqués can contain a large number of commitments, and even those with few can contain ones whose ambition and significance is large.

Considerable new money mobilized appears probable, despite Cameron's initial disavowal of a summit where leaders whip out their cheque books at the last minute (see Appendix E). The fundraising had begun with the advance \$36 million pledge for the initiative on preventing sexual violence and the \$25 million for the Agriculture Fast Track Fund for Africa. It culminated on June 8 where \$4.15 billion over seven years was mobilized for nutrition.

### **Delivery: Post-Summit Compliance**

In the delivery of these decisions, in the form of members' compliance with their commitments in the year following the Lough Erne Summit, performance is likely to be strong. This conclusion comes from the substantial and rising compliance record from Camp David, the strength of the hosting effect and the solid match between the issues of high compliance from last year and the priorities of this year. It also flows from the emphasis that Cameron has placed on transparency and accountability, the production at Lough Erne of a comprehensive accountability report, and the strong compliance of the UK and of all members at summits that the British host.

### **Development of Global Governance: International Institutional Construction**

In the development of global governance, performance can be expected to be substantial. Inside the G8, the UK have announced that they will host a post-summit meeting of ministers of health and science to deal with dementia. This would be the first meeting of G8 health ministers since 2006, one of the few for science ministers and the first time the two groups had met together.

<p>Outside the G8, in the lead-up to the summit, the G8's relations with outside organizations has been strengthened, with the first ever release of an AU accountability report. The G8 also seem likely to cooperatively support and guide the work of the G20 and the OECD on tax, especially with the early June decision of the G20 to make tax a separate item at its summit in September.</p>

<p>Also strengthened is the involvement of civil society institutions with the holding of the B8 and several subject-specific multistakeholder events in advance, including one for food for the second consecutive year.</p>

## **Causes**

The prospective significant success of the Lough Erne Summit is well accounted for by an application of the concert equality model of G8 performance.

### **Shock-Activated Vulnerability**

The first propeller is the moderate succession, severity and spread of shocks in war, terrorism, finance and health, if not also in energy, trade or food. In all, the prominence of shocks in the political-security field promise to spur summit success there, rather than in the economic domain where the three priority themes lay or in the G8's traditional social and development domains (see Appendix F).

### ***War***

In Syria, the war has steadily spread in several ways, to kill more than 82,000 people by early May, to involve Turkey — an ally of the North Atlantic Treaty Organization (NATO) — and Israel in armed attacks, to reportedly trigger the use of chemical weapons by the Assad regime and to strengthen fears that the successor would be an Islamist regime controlled by terrorists that no one could contain. In late May Hezbollah from Lebanon announced that it would enter the conflict on the side of the beleaguered Assad regime, potentially furthering the gains that his forces had recently made. Assad's announcement that he had secured long-range air defence missiles from Russia raised fear of a pre-emptive Israeli military strike.</p>

<p>Iraq was also an increasingly lethal place, with deadly car bombings on the rise. The unhappy memory of the results of the 2003 American-led invasion in Iraq, however, made the U.S. reluctant to intervene in Syria next door, despite the more recent success in Libya in 2011. There were thus several experiences, rather than a single “lesson of the past,” on which to draw (Putnam and Bayne 1987).</p>

<p>Afghanistan's war continued as the Taliban's new springtime offence led to the continuing deaths of G8, NATO and Afghan troops. However, in early June an attack by the Taliban on the Kabul airport was successfully repelled by Afghan security forces themselves, giving confidence that the strategy of training them to take over was working well. In Asia the conflicts on the Korean peninsula and between China and neighbouring Japan and India escalated to new levels. In the case of the Korean peninsula, they

subsided briefly with the short-lived resumption of economic talks between the two Koreas.

### ***Terrorism***

In terrorism, as the UK's year as host began, terrorist advances in Mali led France to send forces to intervene on January 11, with military support provided by the U.S., UK and Canada.

A mere five days after French warplanes started bombing northern Mali, a terrorist attack and hostage taking took place at an energy facility in far eastern Algeria on January 16. It killed 37 people, including six Britons, 10 Japanese and nationals of France. Cameron decided to put counter-terrorism at the heart of the agenda as a result (Woodcock 2013).

On May 23 there was an attack at a French-owned uranium mine in Arlit, Niger, the same site where, in 2010, seven foreign hostages including four from France were seized and have not yet been released. In early May Islamic insurgency had spread to Nigeria, where rebels took control of several states. The G8's common aversion to the deadly, directed non-state threat of terrorism — on its agenda since 1978 — has thus been renewed.

Reinforcing Cameron's initiative was also a report in 2013 by the UK's Office of Security and Counter-Terrorism calculating that more than 150 foreigners, including 13 Britons had been kidnapped by Islamic terrorist groups since 2008, and that the pace had risen to almost 50 in 2012 or double that two years before. At least \$60 million has been paid in ransom in the past five years, financing terrorist groups and leading them to turn to kidnapping as a fundraising tactic.

Within G8 countries themselves, the April bombings by radicalized Islamic Americans from Chechnya that killed three at the Boston marathon brought back memories of 9/11 to the United States. Other terrorist threats were averted in Canada and elsewhere. On May 22 two homegrown terrorists killed a British soldier in London. A subsequent copycat attack on a soldier in France did not end in his death, but did awaken memories of the slaying of three French soldiers in 2012 and an attack on a Jewish school by a young Muslim immigrant. Another copycat attack followed in a British jail. On May 26 a suicide bomber in Dagestan killed one. These incidents immediately catalyzed closer bilateral intelligence sharing with Russia by the U.S. and UK.

The Global Terrorism Index, published by the Institute for Economics and Research, reported in December 2012 that terrorist incidents worldwide had increased from 982 in 2002 to 4,564 in 2011, producing 7,473 deaths (Berthiaume 2013).

More broadly, acts of piracy against G8 and others' ships from Somalia and elsewhere have receded, reducing the need for attention from the leaders at Lough Erne.

### ***Finance and Economy***

In finance, the crisis from the recession-ridden European continent continued, with Cyprus receiving a bailout in April. Greece too remained on the critical list as the cost of its recent bailout rose. Slovenia and Dubai looked like they might join them soon. Spanish banks were revealed to require more money than once thought. And concern grew about Japan, where volatility and interest rates on its government debt rose as its unprecedented monetary easing took hold.

In the economy, threats were limited to Europe. While unemployment was escalating there to new highs, especially among youth, it had not yet generated serious, visible, destructive and deadly social strife (Gurría 2013).

### ***Health***

In health, a new avian influenza virus called H7N9 erupted in China in March, spread to Taiwan and China by May, and infected and killed several people in China. The Middle East respiratory syndrome (MERS), a new coronavirus similar to severe acute respiratory syndrome (SARS), emerged in Saudi Arabia, infecting 40 and killing 20 by mid May, and spreading to Qatar and Jordan and to the G8 countries of France, Germany and Britain.

In terms of non-communicable diseases, the chronic threat of dementia compounded within all G8 members, even if there was no sudden shock to propel it to centre stage.

### ***Environment and Energy***

In the natural environment, the shocks were small. Within the G8, Americans remembered “Superstorm Sandy” in the U.S. northeast in October 2012, which killed 147 people and caused tens of billions of dollars in damage, and, more recently, the subsequent severe droughts and tornados. In June there was deadly flooding along the Danube in Germany and its neighbours. Outside the G8, deadly coal-created smog from China spread to neighbouring Japan to harm air quality and human life there.

Globally, in May carbon dioxide emissions passed the critical threshold of more than 400 parts per million (ppm) per day, or more than 50 ppm above what scientists consider the safe level to keep the Earth’s temperature rise below 2 degrees Celsius over pre-industrial levels (Rafferty 2013). But as this was a small, incremental, politically invisible change, although a serious step-level one, it will catalyze no serious G8 action in response. The environment and climate change are likely to be left off the crowded agenda at Lough Erne.

In the field of energy and nuclear safety, moreover, there was a sharp decline in the existence or likelihood of shocks. America moved toward energy independence with its growth of shale stocks for gas and oil.

### **Multilateral Organizational Failure**

The second cause of multilateral organizational failure offered a substantial spur. In security, the UNSC remained impotent to deal with the escalating threat in Syria, thanks to the view and the veto of Russia and China. Elsewhere, despite its sanction resolutions, it was unable to contain the nuclear threat from North Korea and Iran, or the Islamic extremist treat in Algeria and Mali.

In the economic domain, in the field of finance the IMF was active on an expansive front. Indeed, managing director Christine Lagarde in 2013 warned that climate change was “the greatest economic challenge of the 21st century” (Rafferty 2013). In finance the IMF and G20 are struggling to generate sufficiently strong, sustained and balanced growth.

On trade the WTO has been unable to complete the Doha round, and even once Roberto Azevado takes over as director general in September will be unable to mount a successful trade facilitation agreement at the Bali ministerial in December 2013.

On development the UN as a whole and the World Bank also needed help to fulfill the MDGs by their fast approaching deadline of 2015. In health the World Health Organization seemed able to cope with China’s H7N9 and Saudi Arabia’s MERS, if not with the chronic dementia striking so hard within the G8 itself.

### **Predominant Equalizing Capability**

The third cause of predominant equalizing capability will propel a substantial success. The G7 countries still command about half the world’s GDP. However, in the lead-up to the summit their global share was enhanced by the sharp drop in the exchange rates of many emerging countries. On June 11 alone, against the U.S. dollar, the Indian rupee fell to a record low, the Brazilian real and South African rand dropped to four-year lows, and the currencies of Mexico and the Philippines dropped as well.

Moreover, the G7 countries had high predominance in the specialized capabilities most relevant to the summit’s agenda. They contain about 75% of the world’s financial centres and about 75% of its globally systemically important banks, even if the emerging markets continue to grow overall at a faster rate. The G8’s lead in members’ military and many other functional capabilities remains globally predominant to an even greater degree, including in their ability to use force abroad. One such predominant specialized capability is in the share of the world’s top 100 multinational corporations, which bodes well for G8 action on trade, tax and transparency. EU-U.S. trade alone constitutes nearly one third of global trade. The G8’s predominance in development assistance, even with the rise of China and others, is similarly promising for advances on transparency. G8 countries also provides the bulk of the funds for the Global Fund until 2009.

Within the G8, equalization of capability among members is declining. Second-ranked Japan had a robust 4.1% annualized growth in the first quarter of 2013, even as the U.S. recovery remained modest. However, inequality was amplified greatly by



changes in exchange rates, as the Japanese yen dropped by 225 against the U.S. dollar between November 2012 and May 2013, even if it recovered to just under 100 yen to the dollar on June 10. This exchange rate surge reduced the incentive for the U.S. to lead and adjust to its partners at the summit.

### **Common Principles**

G8 members' dedication to common democratic principles and resulting likemindedness remains strong, especially in relation to the issues at the centre of the Lough Erne agenda. In general, there have been doubts about Putin's crackdown on foreign-supported NGOs in Russia. Yet he stood united in the fight against Islamic terrorism in Chechnya, other G8 countries, the Middle East and North Africa, and, ultimately, in Syria itself. Having recently joined the WTO, Russia now accepts the rule of law in its commercial affairs. As a major natural resource producer heavily dependent on oil and gas exports for taxes, and having citizens who suffered in the collapse of Cyprus's banks, it is strongly committed to tax fairness and transparency.

### **Domestic Politics**

In the lead-up to Lough Erne, domestic political cohesion within G8 members has been substantial. Overall, the leaders are both politically secure at home and experienced at summitry abroad, a combination that bodes well for the summit's success.

Host David Cameron's Conservatives are in a coalition with the Liberal Democratic Party but do not face an election for another year. Going into the summit, Cameron's popularity is competitive with the opposition. In the U.S., Obama's Democrats lack control of the House of Representatives but held the senate and the presidency in the recent elections in November 2012. In Japan, Abe's Liberal Democratic Party lacks control of the upper house but its prospects seem promising to gain control in July. His popularity was at a historic 70% high (Abe 2013). In Germany, Angela Merkel's Christian Democrats govern in coalition with the Free Democratic Party, which is doing badly in the polls, but she remains popular and will likely win re-election on September 2013. France's François Hollande remains in firm control of his legislature, even if by early May his popularity had plummeted in less than a year from 65% to a historic low since 1958 of only 25% (Coman 2103). In Italy, the recently elected Enrico Letta leads a precarious coalition. Canada's Stephen Harper holds a majority in both legislative houses, does not face an election for more than two years and has popularity of a stable 33%, enough to build on to win again. In Russia Putin retains very firm control of his legislature, does not face an election for several years and has strong popularity ratings.

At Lough Erne, political continuity will be strong. As host for the first time, David Cameron brings three years of summit experience. He will be backed by several veterans, Canada's Stephen Harper and Germany's Angela Merkel at their eighth summit, and the European Union's José Manuel Barroso at his ninth and Herman Van Rompuy at his fourth. America's Barak Obama will be attending his fifth summit, and the first of his second presidential term, having served as host of the G8's successful Camp David in

2012. France's François Hollande will be at his second. Russia's Vladimir Putin will return to the summit after an absence of five years at the event. Japan's Shinzo Abe will do so after several years away, returning with a strong domestic mandate to act decisively to finally put Japan back on the growth path.

Public support in G8 countries for G8 colleagues was substantial (BBC World Service 2013). Net favourable views of the host UK existed in the U.S. (+60), Canada (+54), Japan (+41), France (+40), Germany (+29) and Russia (+28). Views of the most powerful member, the U.S., were favourable in Japan (+32) and France (+13), neutral in Canada and the UK, slightly negative in Germany (-4) and strongly negative in Russia (-36). Views of Russia were, however, were negative everywhere: Germany (-49), France (-38), the US (-36), the UK (-31), Canada (-21) and Japan (-14).

The democratically devoted G8 leaders will be supported by the contribution of their citizens in a broad and balanced way. A B8 summit of corporate leaders enlists support from the corporate sector for the initiatives that G8 governors will take at Lough Erne. And G8 leaders will show how human dignity and justice are a compelling for the otherwise divided global community as a whole.

### **Compact Controlled Participation**

Lough Erne will see the G8 return its roots in additional ways. With its highly focused, high-stakes agenda, its isolated, informal, idyllic setting and its lack of outside guests, the compact, club-like summit is designed to bring out the best in democratically devoted, likeminded leaders when they are alone together, determined to tackle the world's toughest problems and lead the global community in new ways.

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## Appendix A: G8 Performance, 1975-2012

Julia Kulik, July 5, 2012

Year	Grade <sup>a</sup>	Domestic political management <sup>b</sup>					Directional <sup>c</sup>	Decisional	Delivery	Development of global governance <sup>e</sup>	Attendees <sup>f</sup>	
		Communiqué compliments										
		#	Spread	# days	# State-ments	# of words				# refs to core values	# commit-ments	Compliance
1975	A-	2	29%	3	1	1,129	5	14	0.571	0/1	6	0/0
1976	D	0	0%	2	1	1,624	0	7	0.089	0/0	7	0/0
1977	B-	1	13%	2	6	2,669	0	29	0.084	0/1	8	0/0
1978	A	1	13%	2	2	2,999	0	35	0.363	0/0	8	0/0
1979	B+	0	0%	2	2	2,102	0	34	0.823	1/2	8	0/0
1980	C+	0	0%	2	5	3,996	3	55	0.076	0/1	8	0/0
1981	C	1	13%	2	3	3,165	0	40	0.266	1/0	8	0/0
1982	C	0	0%	3	2	1,796	0	23	0.84	0/3	9	0/0
1983	B	0	0%	3	2	2,156	7	38	-0.109	0/0	8	0/0
1984	C-	1	13%	3	5	3,261	0	31	0.488	1/0	8	0/0
1985	E	4	50%	3	2	3,127	1	24	0.01	0/2	8	0/0
1986	B+	3	25%	3	4	3,582	1	39	0.583	1/1	9	0/0
1987	D	2	13%	3	7	5,064	0	53	0.933	0/2	9	0/0
1988	C-	3	25%	3	3	4,872	0	27	-0.478	0/0	8	0/0
1989	B+	3	38%	3	11	7,125	1	61	0.078	0/1	8	0/0
1990	D	3	38%	3	3	7,601	10	78	-0.14	0/3	8	0/0
1991	B-	1	13%	3	3	8,099	8	53	0.000	0/0	9	1/0
1992	D	1	13%	3	4	7,528	5	41	0.64	1/1	8	0/0
1993	C+	0	0%	3	2	3,398	2	29	0.75	0/2	8	1/0
1994	C	1	13%	3	2	4,123	5	53	1.0	1/0	8	1/0
1995	B+	3	25%	3	3	7,250	0	78	1.0	2/2	8	1/0
1996	B	1	13%	3	5	15,289	6	128	0.41	0/3	8	¼
1997	C-	16	88%	3	4	12,994	6	145	0.128	1/3	9	1/0
1998	B+	0	0%	3	4	6,092	5	73	0.318	0/0	9	0/0
1999	B+	4	22%	3	4	10,019	4	46	0.382	1/5	9	0/0
2000	B	1	11%	3	5	13,596	6	105	0.814	0/4	9	4/3
2001	B	1	11%	3	7	6,214	3	58	0.55	1/2	9	0
2002	B+	0	0%	2	18	11,959	10	187	0.35	1/8	10	0
2003	C	0	0%	3	14	16,889	17	206	0.658	0/5	10	12/5
2004	C+	0	0%	3	16	38,517	11	245	0.54	0/15	10	12/0
2005	A-	8	67%	3	16	22,286	29	212	0.65	0/5	9	11/6
2006		6	44%	3	15	30,695	256	317	0.47	0/4	10	5/9
2007		12	100%	3	8	25,857	86	329	0.51	0/4	9	9/9
2008	B+	8	78%	3	6	16,842	33	296	0.48	1/4	9	15/6
2009	B	13	67%	3	10	31,167	62	254	0.53	2/9	10	28/10
2010	C	10	89%	2	2	7,161	32	44	0.46	0/1	10	9/0
2011	B+	14	67%	2	5	19,071	172	196	0.54	1/0	10	7/4
2012	B+	7	67%	2	2	3,640	42	81	0.58 Prelim	0/1	10	4/1
Total	NA	131	NA	104	214	374,954	828	3,764	15.657	15/101	329	115/53
Ave. all	B-	44%	1.74	2.7	5.63	9,867	21.79	99	0.423	0.42/2.81	8.65	3.03/1.40
Av. cycle 1	B-	47%	1.94	2.1	2.9	2,526	1.1	29	0.3246	0.14/0.71	7.43	0/0
Av. cycle 2	C-	46%	2.45	3	3.3	3,408	1.3	34	0.3239	0.29/1.14	8.43	0/0
Av. cycle 3	C+	33%	1.26	3	4	6,446	4.4	56	0.4754	0.58/1.29	8.14	0.57/0
Av. cycle 4	B	43%	2.04	2.9	6.7	10,880	5.7	106	0.4217	0.58/3.57	9.00	0.86/1.00
Av. cycle 5	B-	52%	0.88	2.9	10.88	23,677	65.75	237.88	0.5197	0.37/5.87	8.75	12.63/5.63

Notes: NA = not available.

a. Grades up to and including 2005 are given by Nicholas Bayne; from 2006 on are given by John Kirton and the G8 Research Group and are generated according to a different framework and method, as follows: A+ = standout or striking success; A = very strong success; A- = strong success; B+ = significant success; B = substantial success; B- = solid success; C+ = selective success; C = small success; C- = very small success; D = do-nothing summit; F = a failure that made things worse.

b. Domestic political management (national policy addresses): % Mem = percentage of measured G8 countries that referred to the G7/8 at least once that year in their national policy addresses. Ave # refs = average number of references for the measured countries.

c. Directional: number of references in the communiqué's chapeau or chair's summary to the G8's core values of democracy, social advance and individual liberty.

d. Delivery: Compliance scores from 1990 to 1995 measure compliance with commitments selected by Ella Kokotsis. Compliance scores from 1996 to 2008 measure compliance with G8 Research Group's selected commitments.

e. Development of global governance: Bodies Min/Off is the number of new G7/8-countries institutions created at the ministerial (min) and official (off) level at or by the summit, or during the hosting year, at least in the form of having one meeting take place. The first number represents ministerials created. The second number represents official level bodies created.

f. Attendees refers to the number of leaders of full members, including those representing the European Community from the start, and the number of invited participants of countries and/or of international organizations at the G8 leaders' session. Russia started as a participant in 1991 and became a full member in 1998. In 1975, the G4 met without Japan and Italy; later that year the G6 met. C=Countries; IO=International Organizations. The first number represents non-G8 countries who participated. The second number represents International Organizations who participated.

g. The number of commitments listed under 2010 is the count by Jenilee Guebert.

h. The number of commitments in 2012 are those according to Caroline Bracht.

## **Appendix B: G8 Compliance, 1996-2011**

Caroline Bracht, May 31, 2013, N = 307

Compliance reports produced by the G8 Research Group and researchers at the University of Toronto document the progress made by each G8 member in meeting a selected priority set of commitments issued at each summit. These reports offer the general public, policy makers, academics, civil society, the media and interested citizens around the world information on the G8's actions in an effort to make the work of the G8 more transparent and accessible, and to provide scientific data to enable the meaningful analysis of this unique and informal institution.

The G8 Research Group has monitored 307 of a total of 2,875 commitments made by the G8 leaders between 1996 and 2011, with an overall average of +0.51 (see Table B-1). Commitments are assessed on a three-point scale, on which +1 indicates full compliance, 0 indicates a work in progress and -1 means no compliance or inaction. On the common percentage scale of 0 to 100%, the +0.51 average translates to 75.5%.

The commitments monitored fall into 24 issue areas. Of these issue areas, 12 averages were above the overall average of +0.51 and 12 were below. If those with only one compliance report are excluded, the issue area with the highest performance is energy, with an average of +0.78. This is followed by commitments in the area of macroeconomics, at +0.70. Commitments in the areas of information and communication technologies, terrorism, good governance and social policy all fall in the range of +0.66 to +0.64. Commitments on the environment, climate change and regional security are slightly lower — between +0.57 and +0.54 — but remain above the overall average.

The lowest and only negative score is in the area of microeconomics at -0.24. The second lowest score is in the area of East-West relations at 0.00, followed by United Nations reform at +0.14 and trade at +0.36. Commitments on education and health have average scores of +0.41. On crime the average score is +0.45 and on development it is +0.46. Several commitments fall just below the overall average: food and agriculture at +0.49, nuclear safety at +0.50 and conflict prevention at +0.51.

Measured by country, four countries and the EU have averages above the overall average. Canada has the highest implementation score at +0.68, followed closely by the United Kingdom at +0.67. The United States and the European Union have averages of +0.61 and +0.60 respectively, and Germany's average is +0.58. France at +0.49, Japan at +0.45, Russia at +0.27 and Italy at +0.26 all fall below average.

Almost all G8 countries have performed poorly on the microeconomic commitments and many countries have a negative score. Italy also performed poorly in health, resulting in a negative score. Russia scored negatively on trade, conflict prevention, social policy, and food and agriculture. The EU and France each have one negative compliance score, in the areas of social policy and trade, respectively.

Canada has the highest compliance score of +0.67, following closely by the UK at +0.66. The U.S. at +0.63, the EU at +0.59 and Germany at +0.57 are not far behind. The rest of the G8 countries fall under the overall average as follows: France at +0.48, Japan at +0.44, Russia at +0.30 and Italy at +0.28. Italy consistently comes in last place, while Russia's yearly scores have been increasing recently.



**Table B-1: G8 Compliance Scores by Issue, 1996-2011 (N=307)**

Issue Area	Total N=307	United States	Japan	Germany	United Kingdom	France	Italy	Canada	Russia	European Union	Total
Nonproliferation	N=25	0.52	0.60	0.88	0.84	0.64	0.38	0.80	0.30	0.68	0.63
Nuclear safety	N=2	0.00	0.00	1.00	0.50	1.00	0.00	0.50	1.00	1.00	0.50
East-West relations	N=2	0.00	0.50	0.00	0.00	0.00	0.00	0.00			0.00
Regional security	N=16	0.81	0.63	0.44	0.56	0.50	0.64	0.63	0.29	0.62	0.57
Macroeconomics	N=6	0.83	0.67	0.83	0.50	0.67	0.67	0.83	0.67	0.50	0.70
Trade	N=24	0.42	0.50	0.52	0.71	-0.08	0.13	0.63	-0.35	0.63	0.36
Microeconomics	N=3	-0.33	-1.00	0.33	0.33	-0.33	-1.00	0.33	-1.00	-1.00	-0.24
Development	N=36	0.56	0.36	0.56	0.69	0.47	0.20	0.58	0.24	0.47	0.46
Finance	N=6	0.33	0.17	0.50	0.67	0.00	0.00	0.50	0.33	1.00	0.36
Terrorism	N=16	0.88	0.38	0.60	0.56	0.44	0.79	0.75	0.79	0.64	0.64
UN Reform	N=3	0.00	0.00	1.00	-1.00	0.00	0.00	1.00			0.14
Human rights	N=1	1.00	0.00	1.00	1.00	1.00		1.00			0.83
Environment	N=10	0.50	0.60	0.60	0.70	0.50	0.22	0.70	0.63	0.80	0.57
ICT	N=14	0.92	0.71	0.64	0.79	0.50	0.62	0.79	0.15	1.00	0.66
Crime	N=31	0.76	0.32	0.35	0.52	0.48	0.29	0.55	0.39	0.35	0.45
Conflict prevention	N=8	0.88	0.00	0.75	0.63	0.88	0.00	0.88	-0.29	0.80	0.51
Social policy	N=6	1.00	1.00	0.50	1.00	0.80	0.50	0.80	-0.25	-1.00	0.64
Climate change	N=34	0.47	0.58	0.67	0.73	0.61	0.21	0.58	0.32	0.72	0.54
Food & agriculture	N=9	0.56	0.78	0.56	0.56	0.56	0.33	0.67	-0.25	0.57	0.49
Health	N=24	0.71	0.25	0.54	0.63	0.33	-0.21	0.88	0.14	0.35	0.41
Energy	N=11	1.00	0.73	0.73	1.00	0.73	0.45	0.82	0.64	0.90	0.78
Education	N=9	0.22	0.33	0.22	0.89	0.89	0.00	0.56	0.14	0.33	0.41
Good governance	N=10	0.70	0.30	0.60	0.90	0.70	0.30	0.70	0.80	0.75	0.64
HP	N=1	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Overall Average		0.61	0.45	0.58	0.67	0.49	0.26	0.68	0.27	0.60	0.51

Note: HP = Heiligendamm Process. ICT = information and communications technologies.

**Table B-2: G8 Compliance with 2012 Camp David Commitments  
(preliminary scores as of May 31, 2013; subject to change)**

Commitment Name	Canada	France	Germany	Italy	Japan	Russia	United Kingdom	United States	European Union	Average
Macroeconomics: fiscal consolidation	0	+1.00	0	+1.00	0	+1.00	0	0	0	+0.33
Macroeconomics: productivity	+1.00	+1.00	+1.00	+1.00	0	+1.00	+1.00	+1.00	+1.00	+0.89
Macroeconomics: public-private partnerships	+1.00	+1.00	+1.00	+1.00	+1.00	+1.00	+1.00	+1.00	+1.00	+1.00
Trade: regulatory coherence	+1.00	+1.00	+1.00	-1.00	+1.00	+1.00	-1.00	+1.00	+1.00	+0.56
Food and agriculture: L'Aquila Food Security Initiative	+1.00	+1.00	+1.00	+1.00	+1.00	+1.00	+1.00	+1.00	+1.00	+1.00
Food and Agriculture: food security	+1.00	0	+1.00	-1.00	0	0	+1.00	+1.00	+1.00	+0.44
Nuclear Nonproliferation: Non-Proliferation Treaty	+1.00	+1.00	+1.00	0	+1.00	+1.00	+1.00	+1.00	+1.00	+0.89
Nuclear Nonproliferation: export control policies	+1.00	+1.00	+1.00	+1.00	+1.00	0	+1.00	+1.00	+1.00	+0.89
Energy: facilitating free trade	0	0	0	0	+1.00	-1.00	+1.00	+1.00	+1.00	+0.33
Energy: enhancing transparency	+1.00	+1.00	+1.00	0	0	+1.00	0	+1.00	+1.00	+0.67
Climate change	+1.00	0	+1.00	-1.00	0	-1.00	0	0	+1.00	+0.11
Development: capital markets	0	0	-1.00	0	+1.00	-1.00	0	+1.00	-1.00	-0.11
Labour and employment	+1.00	+1.00	+1.00	+1.00	+1.00	-1.00	+1.00	+1.00	+1.00	+0.78
Crime and corruption: recovery	+1.00	0	+1.00	+1.00	0	-1.00	+1.00	+1.00	-1.00	+0.33
Health	+1.00	+1.00	+1.00	+1.00	+1.00	+1.00	+1.00	+1.00	+1.00	+1.00
Reform of international financial institutions	+1.00	+1.00	+1.00	-1.00	+1.00	+1.00	+1.00	+1.00	+1.00	+0.78
Good governance	-1.00	0	+1.00	0	-1.00	-1.00	+1.00	+1.00	-1.00	-0.11
Final compliance average	0.71	0.65	0.76	0.24	0.53	0.18	0.65	0.88	0.59	0.58
2011 final compliance average	0.67	0.50	0.44	0.33	0.56	0.56	0.61	0.61	0.61	0.54
2010 final compliance average	0.61	0.44	0.50	0.17	0.28	0.61	0.50	0.56	0.44	0.46
2009 final compliance average	0.67	0.42	0.42	0.04	0.75	0.33	0.83	0.63	0.67	0.53

## **Appendix C: Agenda for the G8 Lough Erne Summit**

As of May 28, 2013

### **Trade**

Anti-protectionism

European Union–Canada free trade agreement

European Union–United States free trade agreement

European Union–Japan free trade agreement

Russia's integration into the world trading system through the World Trade Organization (WTO)

Trade facilitation at WTO ministerial meeting in Bali in December 2013

African free trade

Trans-Pacific Partnership

European Union–Singapore free trade agreement

### **Tax (Compliance)**

Information exchange per G20

International tax standards strengthening per G20

International standards with more countries signed up

Tax havens through quality and quantity of tax information exchange

Tax collection in developing countries (per United Kingdom–Ethiopia)

Pensions, start-ups business, charities

Multinational corporations' transfer pricing

### **Transparency (Accountability and Open Government)**

Mineral wealth financial publishing by country and project

Conflict minerals

Corruption (including from mineral wealth)

Business practices

Transparency in trade among firms

Aid flows transparency

Rule of law

Property rights

Strong institutions

Conflict reduction

Money laundering

Bribery

Construction Sector Transparency Initiative

Global land transparency initiative

Extractive Industries Transparency Initiative

Stolen asset recovery and return

### **Economy**

Growth and prosperity through private sector enterprise

Debt reduction

Business taxes

Welfare bloat  
Education: schools and universities  
European Union and eurozone</p>

<p>**Development**

Aid  
New Alliance for Food Security and Nutrition for nutritious, affordable food  
Children and pregnant women  
United Nations High-Level Panel on the Post-2015 Development Agenda  
Climate change\*</p>

<p>**Political Security</p>**

<p>**Terrorism**

Mali, Algeria, North Africa hostage taking,  
No Ransom-Paying Pledge  
Spontaneous Terrorism: Boston, London, Dagestan

**Syria**

**Deauville Partnership** with Arab Countries in Transition:  
trade, investment,  
small and medium-sized enterprises,  
women's economic development\*</p>

<p>**Afghanistan and Pakistan al Qaeda**

Yemen, Somalia, crime  
Free media  
Sexual violence as war weapon, international protocol\*  
Somalia's re-engagement with international financial institutions\*  
Cyber security through capacity building\*  
Burma, framework for responsible international investment\*  
Middle East\*</p>

<p>**Iran\***

North Korea\*</p>

<p>\* Discussed at the G8 foreign ministers meeting in April 2013

## **Appendix D: Summit Bilateral Meetings**

### **Pre-Summit**

130607      Hollande to Abe in Tokyo  
130611-13   Harper to Cameron in London  
130613-15   Harper to Holland in Paris  
130615-17   Harper to Enda Kenny (EU) in Dublin  
130606      Barroso to Cameron in London

### **Appendix E: New Money Mobilized**

130411	\$36 million pledge for the initiative on preventing sexual violence
130509	\$25 million for the Agriculture Fast Track Fund for Africa
130606	\$370 million more next year from World Bank for maternal, newborn and child health
130607	\$4.7 billion over 7 years from EU for Nutrition for Growth
130608	£375 + £270 million over 7 years from UK for Nutrition for Growth
130608	\$169 million from Ireland for Nutrition for Growth
130608	\$29 million from Canada for Nutrition for Growth
130608	\$6.4 million by Canada for UNICEF and World Health Organization for nutrition in Afghanistan
130608	\$4.15 billion over seven years for nutrition, including the above

## Appendix F: Shock-Activated Vulnerability

Date	Event	G8 Member Affected	Impact
Terrorism			
January 2013	Algeria	Japan	6 Britons, 10 Japanese killed
April 15, 2013	Boston marathon bombing	United States	3 killed
May 23, 2013	London soldier attack	United Kingdom	1 killed
May 26, 2013	Dagestan suicide bombing	Russia	1 killed
Finance			
April 2013	Cyprus	European Union	
Environment			
October 22, 2012	Superstorm Sandy	United States	147 killed, over \$10 billion in damages
May 21, 2013	Oklahoma tornado	United States	24 killed, over \$2 billion in damages