



## THE 2009 G20 SUMMIT IN PITTSBURGH

### *Summary of ONE's Recommendations*

#### **Host an Upcoming G20 in Africa:**

Africa must be integrated into discussions on the global economic recovery. Made up of 900 million potential producers and consumers, Africa has enormous potential to bring long-term benefits to the rest of the world. The continent offers untapped resources—agricultural potential, economic opportunities and energy supplies—that could help resolve many of the world's current challenges. The first task of the G20 must be to bring Africa and other developing nations into the center of the global economic recovery plan. To acknowledge the importance of Africa and take the first step towards cultivating the potential of the continent, the G20 should agree to hold an upcoming Summit in Africa. Doing so will showcase the importance of the continent as a world partner and emphasize that Africa must be a part of the solution.

#### **Agriculture:**

- Ensure that agriculture funding is comprehensive and coordinated through existing and effective mechanisms and partnerships.
- Provide clarity on funding plans made as part of the L'Aquila Food Security Initiative and expand participation in the effort to additional G20 members;

#### **Climate Change:**

- Ensure that any global climate deal mobilises funding to support the response to climate change in developing countries. In the short- term, agree on a down-payment to help developing countries deal immediately with the impact of climate change and build trust in international negotiations;
- Agree on principles to ensure that climate financing is spent predictably, effectively and through transparent governance structures;
- Ensure that a global climate deal considers Africa's potential contribution toward reducing global carbon emissions, particularly in regard to carbon markets.

#### **Trade:**

- Ensure that any Doha Deal enables African countries to benefit from increased trade opportunities through significant progress on the reduction of agricultural subsidies in developed countries, an expansion of market access for goods from African countries, a financial commitment towards aid-for-trade and sufficient policy space to allow developing countries to pursue trade policies that support development.
- If such a deal is not possible through Doha, developed countries should each agree to implement a set of rules and policies to improve the trade and investment climate in Africa along the lines outlined above.

#### **Millennium Development Goals:**

- Catalyze an international assessment on what is needed to achieve the MDGs by 2015 and an African-driven action plan;
- Commit to fully funding the Global Fund to Fight AIDS, TB, make a specific commitment to increase funding for maternal and child health and support the creation of a new multi-lateral, multi-donor education financing mechanism.
- Increase aid effectiveness by implementing the Accra Agenda for Action, making all aid and budget flows open and transparent and embracing the principles of SMART aid.

#### **Governance and Accountability:**

- Support efforts to monitor resource extraction and recover stolen assets through initiatives like StAR and EITI.
- Strengthen global financial regulation by continuing efforts to tackle non-cooperative jurisdictions (including tax havens) and establishing a process on tax information exchange
- Continue efforts to increase the representation of poor countries on the governing boards of the IMF and World Bank.



## Details on ONE's G20 Recommendations

The Pittsburgh Summit offers the G20 an opportunity to take stock of their progress towards the commitments from the Washington and London G20 Summits, to expand upon the important agreements made by the G8 in L'Aquila and to lay the foundation for substantive outcomes to result from the upcoming Copenhagen meeting on climate change in December.

Specifically, ONE requests that the G20 advance the following areas of the development agenda in Pittsburgh:

### 1. AGRICULTURE

The \$20 billion commitment made at the G8 summit in L'Aquila is a positive step towards providing robust and sustainable financing to address the food security needs of developing countries, particularly those in sub-Saharan Africa.<sup>1</sup> More details on the agreement are needed so that implementation efforts can begin and donors can be held accountable for their commitments. ONE is calling on the G20 donor governments to describe in more detail the quantity of assistance and how it will be delivered by doing the following:

***Ensure that assistance is comprehensive and coordinated:*** Development partners must ramp up efforts to implement the Global Partnership for Agriculture and Food<sup>2</sup> by the end of 2009. The L'Aquila Food Security Initiative states that development partners will take a comprehensive approach towards food security and support country-owned processes and plans. Any food security strategy must address rural agricultural development, post-harvest initiatives, safety-net programs, nutrition, rural infrastructure development, market integration, private-sector engagement and employment creation.

To improve the coordination of financing mechanisms, relevant stakeholders (including governments, international and regional organisations, the private sector and civil society) should decide how they will allocate new resources and realign existing resources through a collective and collaborative process. ONE encourages development partners to align their efforts by working through proven initiatives such as the Alliance for a Green Revolution in Africa (AGRA) as well as African-owned policy frameworks like NEPAD's Comprehensive African Agriculture Development Plan (CAADP). The Global Partnership can also be developed into a global financing mechanism to support effective programmes. Before the G20 Summit, development partners should assign a lead agency (such as an existing international institution) to take this process forward.

***Clarify the \$20 billion, three year L'Aquila commitment<sup>3</sup>:*** It is still unclear how much of the promised \$20 billion is additional to funds previously committed or programmed, how much money each country and organization will contribute and whether 2008 or 2009 will be counted as the first year of the initiative. ONE is calling on donors that have not done so to lay out concrete funding plans with specific delivery dates, details on the amount of new money they will contribute, an outline of the amount designated for

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<sup>1</sup> According to the CFA, an additional \$25 to \$40 billion per year globally is needed to increase agricultural productivity enough to spur economic growth, improve food security and maintain progress towards meeting the first Millennium Development Goal of halving hunger and poverty by 2015.

<sup>2</sup> In the midst of the food crisis last year, the G8 leaders in Hokkaido helped establish a Global Partnership for Agriculture and Food, aimed at enhancing cooperation in achieving global food security. At this year's L'Aquila Summit, there was a commitment to advance the implementation of this framework by the end of 2009.

<sup>3</sup> At the 2009 G8 Summit in L'Aquila, leaders of 40 countries and institutions pledged to contribute \$20 billion over three years to sustainable agricultural development in the developing world through a "coordinated, comprehensive strategy" called the 'L'Aquila Food Security Initiative (AFSI).' This funding is intended to boost agricultural productivity and bolster food security in developing countries through long-term agricultural initiatives, 'while keeping a strong commitment to ensure adequate emergency food aid assistance.'



agricultural development (versus short-term emergency food assistance) and a clarification on the proportion of the funding that will go towards Africa.

## 2. CLIMATE CHANGE

Only 3.6% of total CO<sub>2</sub> emissions have come from Africa, but the continent will feel the ramifications of climate change “first and worst.” Any agreement later this year in Copenhagen must address the impact that climate change is having on the world’s poorest people. In Pittsburgh, the G20 should work to:

***Mobilise funding to support the response to climate change in developing countries:*** While precise estimates vary, billions of dollars will be needed to address the impacts of climate change in the poorest countries.<sup>4</sup> This funding should be in addition to both current aid levels and previous pledges to increase development assistance. Germany has led the way in committing to provide a portion of its revenues from the EU Emission Trading Scheme (EU-ETS) towards adaptation efforts in developing countries, setting an example that other G20 countries should follow.<sup>5</sup>

Many innovative mechanisms will not be operationalized until after 2013, and even then, it is unlikely that they will raise sufficient funds for developing countries to manage the impacts of climate change. ONE welcomes initiatives to provide a down-payment towards climate-related efforts in developing countries. The G20 should agree on a down-payment to help developing countries with immediate needs and to serve as a trust-building measure in international negotiations.<sup>6</sup>

***Disburse climate financing effectively:*** The G20 should agree on principles to ensure that that adaptation finance is spent predictably, effectively and through transparent governance structures that guarantee the confidence of developed countries as well as voice and vote for developing countries. A significant percentage of adaptation financing should go to sub-Saharan Africa, which has the least resources to address climate change but will be hit “first and worst” by its impacts.

***Leverage clean technology transfer and agree on incentives to maintain carbon sinks:*** Any global climate deal should consider Africa’s potential contribution toward reducing global carbon emissions. Preserving sub-Saharan Africa’s vast rainforests, for example, could help offset global emissions while clean development mechanisms offer green investment opportunities. Africa’s potential for solar, geothermal and hydro-power provides new opportunities for private sector investments. The G20 should ensure that carbon markets are incentivised to invest in poor countries, which includes committing to the internationally-accepted rule that offsets from poor countries are of equal value in all countries. Furthermore, the G20 should take measures to enable African countries to reach their full potential in the global carbon market by financing capacity-building programmes (e.g. for African certification agencies) as well as funding to help kick-start self-supporting clean-tech and sustainable agro-forestry projects.

## 3. TRADE

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<sup>4</sup> The World Bank estimates that the financing needs for adaptation in developing countries range from \$9 to \$41 billion annually. Organisations such as Oxfam estimate that the needs are much higher, and analysis from the UNDP suggests that \$86 billion is needed annually.

<sup>5</sup> Under the European Union’s “cap-and trade” system, the German government auctions emission certificates to emitters (e.g. power plants). The government earns revenues through this auction.

<sup>6</sup> A figure that is being discussed by international climate negotiators is a down-payment of \$10 billion, which developed countries should bring to the table when the Copenhagen negotiations start.



Prior to the meeting of G20 leaders, trade ministers will convene in New Delhi to make progress on the G20 commitment to conclude the Doha Development Agenda by the end of 2010. Despite many rhetorical statements by WTO members over the years, African countries continue to face multiple constraints to expanding trade. To address these, the G20 should work with African partners to do the following:

***Ensure that a Doha Deal enables all countries, especially African countries, to benefit from increased trade opportunities:*** An inclusive and balanced deal must contain significant progress on the reduction of agricultural subsidies in developed countries, an expansion of market access for goods from African countries, a new financial commitment towards aid-for-trade and sufficient policy space to allow developing countries to pursue trade policies that support development.

***Or, if this progress on Doha is not forthcoming, push forward a trade deal for sub-Saharan Africa:*** Developed countries should each agree to implement a set of rules and policies to improve the trade and investment climate in Africa. Outside the Doha process, a new African Trade Initiative could build on the G20 countries' existing preference schemes such as the U.S. African Growth and Opportunity Act (AGOA) and the European Union's Everything But Arms (EBA) program. A new initiative should be a comprehensive package for Africa that tackles tariff and non-tariff barriers to trade, reduction of market distorting domestic agriculture subsidies and increased aid to support trade capacity-building that promotes trade, including regional trade.

#### **4. MILLENNIUM DEVELOPMENT GOALS (MDGs)**

At the 2005 Gleneagles Summit, the G8 made a series of historic commitments to scale-up development assistance by 2010, cancel debt and improve the trade and investment climate in Africa. Some donors have delivered on their commitments, while others have not. Five years later, some notable progress has been made, but the Gleneagles mandate will expire next year and Africa is still the region furthest away from achieving the MDGs. A new set of development commitments should be adopted to accelerate African progress towards the MDGs by 2015. In partnership with African countries and civil society, the G20 should take action on the following strategies:

***Catalyze an action plan to achieve the MDGs:*** The G20 should follow on the L'Aquila communiqué, which calls for an international assessment on what is needed to achieve the MDGs. They should also support the creation of an African-driven action plan towards the continent's development that commits donor countries to becoming better development partners. With Africa's achievements from the past several years in jeopardy as a result of the financial crisis and the increasing impacts of climate change, this plan should be delivered urgently.

***Increase effective investments in health and education:*** Health and education are two areas that have benefitted from increased donor support in recent years. To maintain progress made and accelerate efforts to achieve the health and education MDGs, the G20 should do the following:

- Commit to fully funding the Global Fund to Fight AIDS, Tuberculosis and Malaria through a robust replenishment in November 2010.
- Follow-up on the health pledges in the G8's L'Aquila communiqué by making a specific commitment to increase funding towards reducing maternal and child mortality, two areas that are greatly underfunded. Progress should be made in



advancing simple, cost-effective interventions such as vaccinations and increased access to clean water.

- Follow-through on the G8 commitment to support Education for All by supporting an enhanced multilateral financing mechanism that channels increased bilateral and multilateral support to African countries in a coordinated manner. This new mechanism should be launched and funded by the time of the 2010 G8 Summit in Canada.

***Increase the effectiveness of development assistance:*** G20 donors should ensure that their development assistance has the maximum impact by doing the following:

- Implement the Accra Agenda for Action to ensure that all development assistance is used as effectively as possible. Countries that have not done so should publish an operational plan on how they will implement the Accra Agenda, including measures to improve country delivery systems, enhance accountability and harmonize aid delivery.
- Ensure that all aid and budget flows are open and transparent by encouraging all donors to report their development assistance to the OECD's DAC and embracing the principles of Publish What You Fund, which calls on donors to report all aid that is delivered to empower citizen groups to ensure it is used effectively.
- Promote African efforts to improve transparency and accountability by delivering "smart aid," which is assistance that is sustainable and sufficient in scale, measureable, accountable to African citizens, responsive to recipient country needs and transparently delivered.

## **5. GOVERNANCE AND ACCOUNTABILITY**

Although ultimate progress in advancing good governance will be driven by African leaders and civil society, there is a strong role for the G20 to play in supporting African efforts to improve transparency and accountability. To do this, the G20 should consider the following:

**Support efforts to monitor resource extraction and recover stolen assets:** The G20 should increase its support for critical programs like the Extractive Industries Transparency Initiative (EITI) and the Stolen Assets Recovery program (StAR), which aim to reduce corruption and improve governance by monitoring and recovering public resources in poor countries.

**Strengthen global mechanisms for financial regulation:** The G20 should continue its efforts to tackle non-cooperative jurisdictions (including tax havens) and to establish a process on tax information exchange to ensure that all countries have access to tax information.

**Strengthen African voices in international financial institutions:** The G20 should continue efforts to increase the representation of poor countries on the governing boards of the IMF and World Bank so they can play a more significant role in making decisions which impact the macroeconomic policies of their countries.