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**AN AGENDA FOR FOR GLOBAL DEVELOPMENT**  
G8/G20 CIVIL SOCIETY COALITION PLATFORM

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# Executive Summary

## G8/G20 Canadian Civil Society Platform

2010 will be a decisive year for Canada, and for the world. The deadline for meeting the world's Millennium Development Goals (MDGs) is only five years away. Our decisions on economic reform and climate change will determine the success of world's efforts to reduce poverty and reverse dangerous global warming for the next generation and beyond. As host of the next G8 and G20 Summits, Canada can make the difference between relegating these aspirations to a distant hope in an uncertain future and confirming the possibility of achieving these goals in our lifetime. The consequences of renegeing on our promises are unthinkable for the millions around the world looking towards a new model of globalization that is socially responsible, economically sustainable and environmentally just.

The G8 and G20 Summits offer Canada the opportunity to reassert our reputation as a leader on human rights. In the year 2010, the causes of extreme poverty are now well-understood, and the solutions well-known. Our platform focuses on specific, measureable and realistic steps that Canada, along with other G8 countries, can take to catalyze progress on many of the globe's most pressing concerns and bring about fairer, more inclusive global decision-making.

In 2009, a broad and diverse group of Canadian civil society organizations came together to develop a common blueprint for action. While the organizations come from a vast array of backgrounds with diverse focus and expertise, there is remarkable consensus on specific recommendations to move forward on an agenda for global development. This consensus is widely supported by international coalitions of organizations concerned with social justice around the world.

This paper emphasizes what we can do. It focuses on three interlinked priorities: combating poverty; transforming the global economic and financial system; and making real progress on climate change.

*\*This document is a product of the 2010 Canadian G8 Civil Society Coordinating Committee. The committee includes: Africa Canada Forum, Amnesty International, AQOCI, Canadian Catholic Organization for Development and Peace, Canadian Council for International Co-operation, Canadian Crossroads International, Canadian Global Campaign for Education (CGCE), Canadian Labour Congress, Canadian Society for International Health, Climate Action Network Canada, G8 2010 Interfaith Partnership, Global Treatment Access Group, Halifax Initiative Coalition, Interagency Coalition on AIDS and Development, KAIROS – Canadian Ecumenical Justice Initiatives, Make Poverty History Canada, Oxfam Canada, Oxfam Québec, The Pembina Institute, Plan Canada, RESULTS Canada, Save the Children Canada, UNICEF Canada, World Vision Canada.*

### Highlights include clear recommendations on what Canada can do to:

- 1. Prevent the deaths of millions of women and children**
- 2. Confirm the G8's legacy on HIV and AIDS**
- 3. Build greater coherence on global food security**
- 4. Make important progress on Education for All.**
- 5. Assert water and sanitation as the foundation to good health**
- 6. Ensure economic recovery includes decent work for all**
- 7. Solidify and reinforce progress in Africa**
- 8. Ensure global economic recovery for all**
- 9. Make global rules and institutions fair**
- 10. Provide political momentum towards a fair, ambitious and binding global climate agreement in 2010**

# The G8 and G20 Summits of 2010

## An Agenda for Global Development

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### A Focus on Poverty, Economic Reform and Climate Change

In 2010 Canada will play host to the world. The Vancouver Olympics and the G8 and G20 Summits in Muskoka and Toronto will draw the attention of millions to Canada, its geography, its values, policies and practices. If 2008 was the year of China, then 2010 can be the year of Canada. Around the globe, Canadians proudly sport the Canadian flag in traveling as a symbol of Canadian democracy, openness and concern for human rights. Yet our great international achievements of the past—Canadian contributions to the establishment of international peacekeeping, the Universal Declaration of Human Rights, the Ottawa Treaty to Ban Landmines and the International Criminal Court—are today clouded by concerns about Canada's current role in climate change negotiations, Afghanistan, reform of the global economy and addressing global poverty.

When leaders gather for the Muskoka and Toronto Summits in June, 2010, Canadians will have an unprecedented opportunity to reassert our country as a humanitarian leader in the world. The Prime Minister identified four areas to move the agenda forward: global economy, climate change, development and democratic governance. A broad and diverse coalition of Canadian civil society organizations calls on Canada to seize this opportunity by putting poverty eradication, economic recovery for all and environmental justice at the centre of the international agenda.<sup>1</sup>

Fair and durable solutions, grounded in the application of human rights standards, must underscore the obligations of states to people who live in deep poverty and insecurity. To achieve these goals, the new 'premier forum' for world leaders, the G20, must become more democratic by ensuring transparent, representative, and accountable global decision-making that is inclusive of the world's poorest countries. We look forward to working with government, and with Canadians on promoting a new model of globalization that is socially responsible, economically sustainable and environmentally just.

### A Critical Time for Action

The context in 2010 is difficult. The Haitian earthquake has taken some 200,000 lives and left a nation, already struggling to provide basic services to its citizens, faced with the enormous task of rebuilding a devastated country. Globally, poverty remains a fact of daily life for about three billion people on earth.<sup>2</sup> Most are women and children, the vast majority living in rural areas. They are the working poor who face inadequate access to jobs, food, education,

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2 *Global Issues – Social, Political, Economic and Environmental Issues That Affect Us All*, Shaw, Anup; March 2009, <http://www.globalissues.org/article/26/poverty-facts-and-stats>.

clean drinking water, sanitation and health services.<sup>3</sup> The World Bank estimates that persons with disabilities comprise about 20% of the poorest of the poor, and that the Millennium Development Goals cannot be achieved without taking into consideration the needs of people with disabilities.<sup>4</sup> In Africa, where over 40% of the people live below the poverty line, nearly 300 million live in absolute poverty, on less than US \$1.25 a day.<sup>5</sup>

Predictably, the financial crisis and the deepening climate crisis have hit those who live in poverty the hardest. Environmental and economic pressures—including the high cost of fuel and other agricultural inputs—have combined to raise the price of basic foodstuffs beyond the reach of millions. By the end of 2008, rising food prices had added an estimated 109 million people to the ranks of the chronically hungry, bringing their numbers to over 1 billion.<sup>6</sup> Caught in a downward spiral of systemic and interlocking financial, food and climate crises, millions more are at risk of being driven into extreme poverty in 2009 and 2010.

In G8 countries, we are feeling these economic pressures at home, particularly for the poor within our borders. The fact that millions are unemployed or underemployed has set the stage for turning inwards, as evidenced by the ‘buy at home’ sentiments currently surfacing in United States and Canada. With the cost of domestic bailouts of major industries exceeding all expectations, there are those who question whether we can afford to address matters outside our borders. Italy’s decision to slash its overseas development budget is a symptom of larger pressures within the G8 to revert to inward looking policies that are likely to exacerbate problems rather than ameliorate them. The economic crisis must not be used as a reason to repeat mistakes of the past and bypass the current opportunity to move towards a more sustainable economic development model worldwide. Clearly, the combined economic, food and climate crises demonstrate the reality of global interdependence and the necessity of thinking globally and building solutions in a forum that is inclusive, transparent and accountable to our citizens.

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## Three Interlinked Priorities

We call on Canada to build an agenda for 2010 that addresses the global economic and climate crises within a context of sustainable development. We call for action in three broad areas:

1. Combating Poverty
2. Transforming the Global Economic and Financial System
3. Acting on Climate Change

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3 UNICEF estimates that 25,000 children die every day, due to poverty, cited in Shaw, Anup, op.cit. 75% of extreme poverty occurs in rural areas where the principle economy is agriculture. <http://www.ifad.org/poverty/pr.htm>.

4 <http://www.un.org/disabilities/default.asp?id=18>

5 *Global poverty and inequality: a review of the evidence*, Ferreira, Francisco H.G.; Ravallion, Martin, World Bank Development Research Group, May 2008, [http://www-wds.worldbank.org/external/default/WDSContentServer/IW3P/IB/2008/05/19/000158349\\_20080519142850/Rendered/PDF/wps4623.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/IW3P/IB/2008/05/19/000158349_20080519142850/Rendered/PDF/wps4623.pdf).

6 For details, see <http://www.fao.org/news/story/en/item/8836/icode/>.

## **Priority One: Combating Poverty**

The credibility of the G8 on the issue of combating poverty rests on its accountability for past promises. In 2010 key G8 commitments made at Gleneagles (2005) come due. As Canada is one of only two G8 countries to have met its Gleneagles commitment to sub-Saharan Africa, we are well positioned for leadership. Our commitment was the smallest of all the G7 donors in volume terms, and the third smallest in terms of ODA as a percentage of projected GNI.<sup>7</sup> Collectively, the G8 leaders are at risk of defaulting on their commitments on issues from official development assistance (ODA) and health to trade reform. While important progress has been made in debt cancellation, the financial crisis is undermining gains and threatening a new and profound debt crisis. The failure of the G8 to fully deliver their aid commitments is particularly troubling given the growing evidence that recent increases in development assistance have achieved real measurable results. Aid is only one part of the solution to address global poverty, but it is critical. In Africa alone, citizens have used ODA flows to provide AIDS treatment to nearly 3 million people, to dramatically reduce deaths from malaria and to help put 34 million more children in school.<sup>8</sup>

In Muskoka, the G8 priority must be to meet Gleneagles commitments and set a path towards addressing the gap between stated commitments and necessary actions to put the Millennium Development Goals (MDGs) back on track.<sup>9</sup> With just five years remaining until the MDG target date of 2015, the summit will mark a critical moment for G8 governments to take stock of progress and make an all-out effort to address the most glaring gaps and shortfalls in reaching their targets. At the same time, G8 leaders will need to improve accountability mechanisms by developing concrete plans of action with specific timetables if they are to honour past G8 commitments and recommendations on education,<sup>10</sup> water,<sup>11</sup> health care,<sup>12</sup> HIV and AIDS, decent work<sup>13</sup> and to Africa.<sup>14</sup> These include:

1. Meeting the commitments to invest \$60 billion in ODA over five years to fight HIV and AIDS, other infectious diseases, and strengthen health systems as well as to provide universal access to HIV prevention, treatment, care and support by 2010.<sup>15</sup>
2. Meeting the commitment to invest \$1.5 billion in child and maternal health.<sup>16</sup>
3. Meeting the commitment to invest \$22 billion in food security, nutrition intervention and social protection to

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7 *One International*, the DATA Report, 2009.

8 The DATA Report 2009, *ONE*, Executive Summary, page 2.

9 The Millennium Development Goals (MDGs) are eight goals, agreed to by 192 UN member states, to be achieved by 2015. The goals respond to the world's main development challenges.

10 Education for All was adopted in Dakar in 2000, and reaffirmed by the G8 in 2000 (Okinawa), 2001 (Genoa), 2002 (Kananaskis), 2005 (Gleneagles), 2006 (St. Petersburg), 2007 (Heiligendamm), and 2008 (Hokkaido).

11 G8 2003 (Evian).

12 G8 2008 (Hokkaido).

13 G8 2009 Employment Ministers recommendation to G8 Summit. The ILO understands the concept of Decent Work to incorporate fundamental principles and rights at work, employment income opportunities, social protection and social security, and dialogue.

14 G8 2002 (Kananaskis); G8 2005 (Gleneagles). Under Canada's leadership, the 2002 G8 meeting in Kananaskis established NEPAD, The New Partnership for Africa's Development, to tackle some of the most flagrant obstacles to African development. At the Gleneagles Summit in 2005, G8 countries committed to double their aid to Africa.

15 Heiligendamm, Growth and Responsibility in Africa Summit Declaration, June 8 2007, Paragraph 48; Hokkaido Toyako Summit Leaders Declaration, July 8 2008, Paragraph 45 (a)

G8 Summit, 2005, Gleneagles Communiqué, 18 (d).

16 G8 Summit 2007 Heiligendamm, *Growth and Responsibility in Africa. Summit Declaration* June 8, 2007, pp. 50. Note: all dollar amounts in this paper refer to US dollars.

assist the 1 billion people who face chronic hunger.

4. Meeting the commitment to provide the G8's fair share of \$11 billion annual funding required for reaching the Education for All goals and the MDGs related to education and literacy.
5. Meeting the Gleneagles commitment for an additional \$50 billion in aid, half of it to Africa by 2010 as well as committing to a timetable by which all G8 countries will meet the UN aid target of 0.7% of Gross National Income.

## Key Development Opportunities in 2010

The following are opportunities for Canada to assert an agenda for global development in 2010.

### ***Opportunity: Prevent the deaths of women and children***

Each year more than 500,000 women, including adolescent girls, die from pregnancy related causes, and 9.2 million children die before they turn five years old. The major causes of maternal, newborn and child mortality are well understood and the means of tackling them, through simple and affordable interventions, are well known.

The Prime Minister's announcement to make maternal and child health a signature focus of the 2010 G8 Summit is welcome. Significant international investment in an integrated model along a continuum of care that strengthens overall health systems, will play a critical role in putting Millennium Development Goals, four, to reduce child mortality, and five, to improve maternal health, back on track.

In 2007 Canada led the multilateral Catalytic Initiative to Save a Million Lives (CI). The CI builds on the successes and lessons learnt from an earlier project that aimed to deliver an integrated package of high-impact low-cost interventions to save the lives of mothers, newborns and children. The principles of the model are sound and widely supported by Canadian maternal and child focused organizations.<sup>17</sup> Building upon the catalytic initiative, and the international *Partnership Consensus for Maternal, Newborn and Child Health*, Canada can lead on the implementation of a global initiative to bring millions more children to their fifth birthday, while saving the lives of their mothers.

### **What we can do:**

- Deepen Canada's contribution to the catalytic initiative model by supporting a broader range of life-saving maternal and newborn interventions, with a focus on community managed care, including training of health workers and supporting publicly funded health systems.
- Leverage Canada's leadership by bringing other G8 leaders on board to expand the global reach of the initiative and by including countries with the highest rates of maternal, newborn and child mortality.
- Task the *Global Campaign for the Health Millennium Development Goals* to create a Global Action Plan on maternal, newborn and child health to bring coherence to international initiatives towards the achievement of MDGs 4 and 5.
- Commit to funding the global gap between the current level of commitment and what is needed to meet MDGs on child and maternal health by 2015.

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<sup>17</sup> The CI emphasizes illness prevention, strengthening overall health systems and training health workers; interventions are guided and driven by local country plans.

## ***Opportunity: Build on Canada's good record on food security***

In 2009, the G8, along with 27 other countries, responded to the chronic food crisis through the announcement of the L'Aquila Food Security Initiative, which included a pledge of US\$22 billion over 3 years. In Canada, the Canadian International Development Agency designated food security as a priority theme for its official development assistance and announced \$600 million over three years as its contribution to the G8 initiative. In 2010, Canada must ensure that these welcome and necessary commitments are followed through so that leaders can build on this good record and continue to further progress towards greater food security globally.

### **What we can do:**

- Provide a clear and transparent implementation plan for the L'Aquila pledge, including an accountability report detailing progress so far, as well as areas and mechanisms of delivery.
- Include a clear plan to improve food and nutrition security by prioritizing investment in sustainable small-scale agricultural production and rural development.
- Create an enabling environment for the L'Aquila Initiative to succeed by addressing issues of trade, aid, agriculture and industry that can inhibit the achievement of the L'Aquila goals.
- Direct trade negotiators to promote international trade rules and loan conditions that allow developing country governments to support sustainable local food production and protect small-holder producers and consumers from price volatility and unfair trade.
- Promote policies to strengthen the rights and participation of rural women, children, and people with disabilities, in all food security interventions. Particular attention is needed to address the double discrimination faced by girls because of their gender and age, and people with disabilities because of their marginalization in society.

## ***Opportunity: Confirm the G8 legacy on HIV and AIDS***

We have made substantial progress in delivering HIV services to millions of people, with Canada playing a leading role. Canada was instrumental, for instance, in the achievement of the "3 by 5 campaign" – where the goal of having 3 million people on antiretroviral treatment by 2005 was finally realized in 2007. New infections among children also dropped, thanks to the scale-up of services to prevent mother-to-child transmission.<sup>18</sup>

While we celebrate these successes, AIDS is far from over. For every two people starting treatment, five people are newly infected with HIV. About 42% of people who need antiretroviral therapy do not have access to it. While in 2009, G8 leaders reaffirmed their previous commitments on HIV and AIDS, they did not provide a plan or concrete targets for meeting these pledges. At L'Aquila, leaders also reaffirmed the value of the Global Fund to Fight AIDS, Tb and Malaria but made no commitment to ensure that it has sufficient funding to scale up programming.

In 2010, Canada will host the summit where one of the G8's largest legacies- the Global Fund- faces the challenge of ensuring that they have sufficient funding to support the scale up of HIV, TB and malaria programming. In preparation for the second Global Fund replenishment conference that will take place in October this year, it is essential that the G8 reaffirm their commitment to fully meet the financial requirements of the Fund. In this context, where over 5000 people die of AIDS related illness each day, G8 leaders must translate commitments into action with concrete country pledges, commitments and timelines to meet targets for both the Global Fund and Universal Access.<sup>19</sup>

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18 UNAIDS Annual Report, 2008.

19 AIDs and Global Health, UNAIDS, 2009.

In Muskoka, if Canada can restore momentum to reach country-defined universal access targets that ensure 6.7 million people receive life-saving treatment, then 2.6 million new infections can be avoided and 1.3 million deaths averted.

### **What we can do:**

- Ramp up efforts to achieve Universal Access for HIV and AIDS prevention, treatment, care and support beyond past commitments. Make this goal concrete by ensuring renewed and increased funding for the Global Fund to Fight AIDS, TB and Malaria. Make a multi-year commitment to fund 5% of the resources needed to meet the demand of the Global Fund to fight AIDS, TB and Malaria and strengthen support for country health systems.
- Improve access to life saving medicines by fixing Canada's Access to Medicines Regime. This requires making the necessary amendments to streamline the process of licensing generic manufacturers to supply developing countries with lower-cost medicines. In particular, Parliament should legislate the "one-license solution" recommended by NGOs and other experts—one license on a patented medicine that would allow exports to any of the developing countries covered by the law, without advance restrictions on quantity or arbitrary time limits.
- Strengthen the G8 follow-up mechanism on global health commitments.

### ***Opportunity: Assert water and sanitation as the foundation to good health***

The single largest cause of sickness globally is the lack of safe or clean drinking water and adequate sanitation. Investments in water and sanitation predictably reduce child and maternal mortality, decrease the incidence of disability caused by water and sanitation related disease, and should be made in conjunction with initiatives to strengthen public health systems and actions to address specific diseases. Nearly 900 million people lack access to safe drinking water and millions of children become sick, weakened or are disabled due to water and sanitation related diseases and infections. A further 2.5 billion people have no access to basic sanitation.<sup>20</sup> The total burden of disease worldwide could be reduced by almost 10% with improvements in water and sanitation.<sup>21</sup>

The G8 summit in Canada can build on significant developments on water and sanitation taking place in 2010. In April, Ministers of Development from donor countries will meet with Ministers of Finance from 20 southern countries at the first ever 'High-Level Meeting on Sanitation and Water'.

### **What we can do:**

- Ensure Ministerial representation at the High-Level Meeting and commit to building on the outcomes at the 2010 G8 Summit in Muskoka.
- Provide enhanced resources to support the development and implementation of national sanitation and water plans in the countries that are most off-track.
- Ensure sanitation, water and hygiene promotion are key elements of G8 initiatives on maternal, newborn and child health.

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20 *Progress in Drinking-water and Sanitation: special focus on sanitation*. Joint Monitoring Report Programme for Water Supply and Sanitation, WHO and UNICEF, 2008. Furthermore, every year 1.5 million children die from diarrhea diseases that result from unsafe water and poor sanitation. [http://www.wssinfo.org/en/40\\_MDG2008.html](http://www.wssinfo.org/en/40_MDG2008.html).

21 *Safe Water, Better Health*, WHO, 2008. [http://esa.un.org/WHO\\_CB\\_eng.pdf](http://esa.un.org/WHO_CB_eng.pdf)



## ***Opportunity: Make progress on Education for All***

Education is widely recognized as a critical factor in fighting poverty, improving health, reaching gender equity and achieving economic prosperity. In 2000, at the World Education Forum in Dakar, world governments set six clear “Education for All” goals to be met by 2015.<sup>22</sup> As we approach the 2015 deadline, 72 million children are still out of school, more than half of them girls, and one in five adults cannot read or write. Ninety per cent of children with disabilities do not attend school at all.

Substantial progress can and has been made towards achieving our goals on education. Through a combination of good policy and increased resources over the past nine years, 40 million more primary-age children have gone to school, and the gender gap is slowly closing. To keep the momentum, the international compact on Education for All needs urgent revitalization if the goals are to be achieved.

### **What we can do:**

- Build a plan for innovative and sustainable financing of the education sector.
- Provide our fair share of the \$16 billion annual financing gap.
- Reform the international aid architecture for education to better address the following issues:
  - The need for greater donor coordination and stronger partnership between governments and civil society at the country level.
  - A focus on accountability for results, especially in the form of positive learning outcomes for all children.
  - The need to provide urgent support to those countries most in need, in particular those affected by conflict and those that currently receive a relatively small percentage of aid to the education sector.

## ***Opportunity: Ensure economic recovery includes decent work for all***

As a result of the global economic recession, the International Labour Organization and the Organization for Economic Co-operation and Development project that the numbers of working people losing their jobs and income will continue to rise in 2010. Those hardest hit are innocent bystanders – the poor in developing countries and working families in industrialized and emerging economies. Unemployment and underemployment are significant contributors to poverty. The ILO anticipates that in 2009, unemployment will reach up to 239 million worldwide; the worst year on record for employment creation. In some countries, unemployment among persons with disabilities is as high as 80 per cent. Globally, 200 million workers risk joining the ranks of the 1.2 billion workers already living on less than \$2 per day.<sup>23</sup>

### **What we can do:**

- Fully implement G20 commitments to take stimulus action as long as it is necessary, with no early exit, and provide a greater focus on maintaining and creating jobs and increasing social protection.
- Ensure that recovery measures maximize job creation and include active labour market politics.
- Provide adequate social security and labour protection so as to protect the most vulnerable.
- Implement and build upon the Global jobs Pact negotiated by the International Labour Organization (ILO) in June 2009.

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22 The six EFA goals are: 1) expand early childhood care and learning; 2) provide free and compulsory primary education for all (particularly girls, children in difficult circumstances and those belonging to ethnic minorities); 3) promote learning and life skills for young people and adults; 4) increase adult literacy rates by 50% (especially for women); 5) achieve gender parity in primary and secondary schools by 2005 and gender equality in education by 2015; and 6) improve all aspects of the quality of education.

23 Global Employment Trends Update, International Labour Organization, May 2009.

- Ensure that the international financial institutions and the World Trade Organization fully incorporate ILO standards and the Global Jobs Pact in their policy and analysis, and reverse the trend towards eroding worker's rights and protection in policy and practice.

### ***Opportunity: Solidify and reinforce progress made in Africa***

Under Canada's leadership at Kananaskis in 2002, the G8 promoted the New Partnership for Africa's Development (NEPAD) to tackle the most flagrant obstacles to African development and eradicate poverty on the continent. At Gleneagles in 2005, Canada promised to double its aid to Africa by 2008, which was achieved in 2008-09. Today, however, Africa stands out as the continent where poverty has deepened most severely due to the financial crisis.<sup>24</sup> African income as a whole is expected to fall by 13%, or US\$49 billion, between the start of the crisis and the end of 2009.<sup>25</sup>

### **What we can do:**

- Renew the commitment to Africa by establishing a post-2010 G8/Africa development initiative shaped by the participation of African governments and their populations affected by poverty.
- Make sure it is effective by extending the mandate of the Africa Personal Representative and by including Africa-specific targets in each of the above commitments.
- Commit to increasing and improving African aid programs focused on education, health systems and sustainable agriculture.
- Support the meaningful regulation of investments in African countries to ensure investment is socially responsible.

### ***Opportunity: Solidify our gains by implementing commitments on anti-corruption and transparency***

In 2010, the G8 and G20 members must recognize that the implementation of their anti-corruption commitments is a prerequisite to achieving sustainable progress in all areas of the G8 and G20 agendas. Corruption and a lack of transparency undermine development initiatives at the outset by excluding disadvantaged groups from decisions that affect their lives and skewing policies and budgets to benefit private, rather than public interests.

The 2009 G8 Accountability Report provides a good starting point to focus on the implementation of corruption commitments. Beyond the Accountability Report, G8 and G20 leaders must commit to stronger implementation of international legal frameworks to combat corruption and improve governance. These include: the OECD Convention on Combating Bribery of Foreign Public Officials; the Extractive Industries Transparency Initiative; and the United Nations Convention against Corruption.

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24 UNESCO estimates that the poorest 390 million workers in Africa will see their incomes drop by about 20% - far more than G8 countries. Child malnutrition is expected to cause an additional 200,000 to 400,000 infant deaths a year in Africa. Setbacks in universal primary education are expected to affect numerous countries, including Mozambique, Ethiopia, Mali, Senegal, and Rwanda, all of which have made substantial progress in recent years in EFA Global Monitoring Report 2009 – *Overcoming Inequality: why governance matters*. <http://www.unesco.org/en/efareport/reports/2009-governance/>. See also a presentation by the report's authors - Kevin Watkins and Patrick Montjourides at [http://portal.unesco.org/en/files/44668/12360113951/watkins\\_UNESCOFutureForum.ppt/watkins\\_UNESCOFutureForum.ppt](http://portal.unesco.org/en/files/44668/12360113951/watkins_UNESCOFutureForum.ppt/watkins_UNESCOFutureForum.ppt).

25 *Where does it Hurt? The impact of the financial crisis on developing countries*, Action Aid, March 2009; [http://www.actionaid.org.uk/doc\\_lib/where\\_does\\_it\\_hurt\\_final.pdf](http://www.actionaid.org.uk/doc_lib/where_does_it_hurt_final.pdf).

## What we can do:

- Strengthen the G8 Accountability Report through a transparent and inclusive evaluation process that specifically includes civil society consultation and makes relevant information publicly available. The process should also apply a consistent methodology, with specific indicators, for evaluating commitments.
- Integrate anti-corruption and governance considerations into each item on the G8 and G20 agendas to help ensure the sustainability and success of summit initiatives in 2010.

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## ***Priority Two: Transforming the Global Economic and Financial System***

The impact of the financial crisis on the developing world is devastating: an additional 46 million people are living on less than \$1.25 per day; export growth has slowed, exacerbated by lack of available trade financing and a fall in commodity prices; and foreign direct investment has retreated, forcing both the devaluation of local currency and a rise in the price of imports. Further, the IMF estimates that 28 countries already have external debts in excess of 60% of GDP, putting them at risk of default.<sup>26</sup> The World Bank estimates that external financing needs (in the form of private capital flows) of 59 countries would not be met in 2009, leaving a gap of US\$352 billion.<sup>27</sup> Devaluation, perhaps more than inflation, is a concern. Declining remittances from workers in recession-affected countries mean that families in the developing world, who depend on remittances to supplement their income, are no longer able to support their households.

The G-20 has begun to address the short-term impact of the crisis. But of the \$1.1 trillion in funding announced by the G-20 in 2009, only \$50 billion is expected to go to the world's poorest countries. Although the IMF and the World Bank have introduced new forms of social protection and have reduced the number of conditions attached to new loans, many of the remaining conditions (including public sector wage freezes or cuts, pension freezes, utility price hikes and rising interest rates) will undermine these attempts to increase social protection.

In 2010, G20 leaders have the opportunity to begin transforming the global economy—both its systems and institutions—so that it can deliver decent work and sustainable development to all parts of the globe. Through fairer international rules and policies for trade and finance and the democratization of the international financial institutions (IFIs), the G20 can address the structural flaws that have exacerbated the financial crisis and help build a strong public sector that can support measures to mitigate its most adverse affects.

To do this, it is critical to have a leader's forum that addresses the needs and interests of a diverse range of countries, as well as the broader public interests of the global community. G8 and G20 leaders must commit to transition to a more representative forum; one that adheres to principles of transparency, accountability and inclusivity of the world's poorest nations and citizen's voices. Such a transition must be done within the broader context of strengthening multilateralism more generally, and the role and place of the United Nations in the international system in particular.

The Toronto G20 should build on the findings of the UN Commission of Experts on Reforms of the International Monetary and Financial System and the outcome document of the UN Conference on the World Financial and

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26 The Implications for the Global Financial Crisis for Low income Countries, International Monetary Fund, March, 2009, page 35.

27 World Bank, "Global Development Finance: Charting a Global Recovery – Review, Analysis, and Outlook," 2009, p.82.  
On-line: [http://siteresources.worldbank.org/INTGDF2009/Resources/gdf\\_combined\\_web.pdf](http://siteresources.worldbank.org/INTGDF2009/Resources/gdf_combined_web.pdf)

Economic Crisis and its Impact on Development, by announcing specific G20 initiatives aimed at a sustainable global economic recovery that serves as a transition towards a low-carbon green economy.

Finally, in Pittsburgh, the G20 tasked the IMF with looking at ways in which the costs of the bailouts occasioned by the crisis could be shouldered by the financial sector. This report should consider both backward-looking mechanisms for recouping the costs of the bank bailout, as well as forward-looking measures for generating revenue to help fund the current global recovery and generate resources for future needs. In this vein, the Financial Transactions Tax (FTT) represents one of the best options. The tax would cover financial transactions traded through stock and futures exchanges by financial market actors, but exclude ordinary consumer transactions such as payments for goods, paychecks and cross-border remittances. The money would be collected in the individual stock exchanges where trading occurs through the electronic settlement systems. Even a minimal tax would help generate hundreds of billions of dollars that could be used for stimulus packages, as deficits and public debts balloon; and to help fill the funding shortfall for achieving the Millennium Development Goals and climate change. Once the market has responded to the introduction of the tax, the amount of revenue generated would likely be fairly predictable – helping governments plan for the future. Furthermore, an FTT of, for example, 0.05 per cent would be small enough not to impact the individual casual investor, but big enough to curb short term speculative trading. Finally, a tax on financial transactions will shift the burden of crisis resolution from the general public to the financial sector, from taxing wages and consumption to taxing capital, making the tax system more fair.

### ***Opportunity: Ensure global economic recovery for all***

- Provide emergency grants for developing countries to pursue their own counter-cyclical policies, including introducing social safety nets, measures to protect livelihoods of the poor, and to strengthen the public provision of essential services. Such grants should be without the harmful policy conditions that limit democratic ownership of country-led development priorities.
- Provide 100% debt cancellation for all indebted poor countries, taking account of the impact of the triple crises of finance, food security and climatic change. A renewed G8 debt initiative should support the establishment of a sovereign debt workout mechanism that is fair, transparent and independent. Such a mechanism should help ensure the responsible nature of future lending and advance the debate on odious and illegitimate debts.

### ***Opportunity: Make global rules and institutions fair***

- Initiate a process with other countries to transform the current structure of the G20 into a forum that kick-starts a new era of multilateral cooperation – one that models democratic principles of inclusion, representation, transparency and accountability.
- As a first step, the African Union, which represents 52 African States, should be part of the G20 in 2010.
- Lead efforts to transform and democratize the World Bank and International Monetary Fund through meaningful accountability to the United Nations and to internationally agreed standards for human rights, labour and the environment. The G20 should respect the development of regional monetary and financial initiatives that promote sustainable human and economic development.
- Commit to full civil society involvement in decision making at the national level and in the world's workplaces. Basic freedoms and rights to participate should be a hallmark of G20 decisions, including for workers and trade unions to engage employers for needed production changes and for the poor and vulnerable groups to shape a future that addresses their concerns.

### ***Opportunity: Implement new rules for trade and finance***

- Create new rules for regulating both the mechanisms and the flows of global finance, including for hedge funds, tax havens and speculative capital flows. Such rules should ensure that financial institutions, markets and financial products are transparent and publicly accountable.
- Commit to a new multilateral trade deal that prioritizes development. This should include new mechanisms to regulate the volatility of commodity prices, tools to support infant industry and small farmers in developing countries, and the rapid elimination of harmful agricultural subsidies. Such a deal should allow for more space for poor countries to protect jobs and public health and to control the pace and extent of liberalization, particularly in financial and other services.

### ***Opportunity: Transition to a sustainable economy***

- Promote a coordinated international recovery strategy that emphasizes green and decent job creation and public investments.<sup>28</sup> Measures should be introduced to reduce the risk of unemployment and wage losses, and to support the purchasing power of low-income earners, including single earner households that are overwhelmingly female-headed and households with a parent with a disability.
- Support the introduction of a financial transactions tax to generate revenue towards the achievement of the Millennium Development Goals and measures to address climate change.<sup>29</sup>
- Support other innovative financial mechanisms to meet urgent financial requirements for climate change, development and the MDGs, such as the following: supporting the existing levy on airline tickets in 13 European and developing countries; a carbon tax on wealthy countries' CO<sub>2</sub> emissions (or an equivalent mechanism); and a global currency transaction tax.<sup>30</sup>

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## ***Priority Three: Acting on Climate Change***

Climate change was a priority agenda item at the 2009 G8 summit in L'Aquila. Falling just six months after the Copenhagen climate conference, the 2010 G8 and G20 Summits will be the first meetings at which world leaders can build on and strengthen the outcomes of Copenhagen. In particular, the Summits can take action to move forward urgently on reducing emissions ("mitigation") and on financial support for climate action in poorer countries. Strong climate commitments from Canada in 2010 would build on the 2009 G8 declaration, which called for the "successful conclusion of a global, wide-ranging and ambitious post-2012 agreement".

### ***Opportunity: Provide political momentum to a fair, ambitious and binding global climate agreement in 2010***

Canada and other G8/G20 countries should demonstrate their support for finalizing negotiations on a binding global climate agreement under the United Nations Framework Convention on Climate Change (UNFCCC). Both the

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28 As understood by the ILO and UNEP in their September 08 research on green jobs for addressing the climate crisis

29 This airline tax currently raises \$200 million annually, a carbon tax could raise over \$130 billion annually; a currency transaction tax could raise \$33.4 billion annually, without causing any market distortions, if imposed at the modest level of 0.005% on all foreign exchange transactions; a modest financial transactions tax of 0.05% could raise more than \$650 billion globally a year at present. The United Kingdom has a tax on stock trades that generates approximately \$30 billion a year.

30 This airline tax currently raises \$200 million annually, a carbon tax could raise over \$130 billion annually; a currency transaction tax could raise \$33.4 billion annually, without causing any market distortions, if imposed at the modest level of 0.005% on all foreign exchange transaction.

Copenhagen Accord and the 2009 G8 declaration from L'Aquila recognized that the increase in global temperatures ought not to exceed 2°C. The best climate science is now suggesting that temperatures need to stay well below 2°C to avoid dangerous climate change. Current mitigation targets and action, however, are insufficient to even keep temperatures increases from breaching the 2°C limit. In particular, Canada's current 2020 and 2050 targets fall far short of being a fair share of the emission reductions that climate science shows are needed, and Canada has yet to announce a plan to meet its targets.

### **What we can do:**

- As host, Canada can urge G8 and G20 countries to pledge their support for finalizing a fair, ambitious and binding climate agreement as quickly as possible through an equitable and inclusive UN process.
- Press G8 and G20 countries to adopt aggregate 2020 and 2050 emission reduction commitments aligned with climate science and support a peak in global emissions well before 2020.
- Strengthen Canada's targets to bring them, at a minimum, into the ranges identified by the Intergovernmental Panel on Climate Change (IPCC): 25-40% below 1990 levels in 2020 and 80-95% below 1990 levels in 2050. This would bring Canada's 2050 target in line with the G8's support, in L'Aquila, of the goal of "developed countries reducing emissions of greenhouse gases in aggregate by 80% or more by 2050 compared to 1990 or more recent years".<sup>31</sup>

### ***Opportunity: Move forward on domestic implementation plans to cut emissions***

Achieving the science-based emission reductions above will require ambitious domestic policy action in G8 and G20 countries, including effective carbon pricing and scaled-up investment in renewable energy and energy efficiency. These investments in the clean economy of the 21st century will yield economic benefits, including new and decent jobs, in addition to the environmental gains they will leverage.

### **What we can do:**

- Significantly scale-up support for renewable energy and energy efficiency in advance of the leaders' Summit as a complement to demonstrating rapid progress towards setting and enforcing an economy-wide cap on emissions.

### ***Opportunity: Take rapid action to implement financial commitments for climate action in developing countries***

Under the 1992 UN climate convention, developed countries accepted an obligation to provide financial support for developing countries as they reduce their emissions and adapt to a changing climate. Climate Action Network International, a coalition of organizations working on climate change, estimates that the new and additional public financing that will be required will be \$195 billion per year by 2020.<sup>32</sup> Current sources of climate financing do not come close to meeting the need. As a first step towards the fuller financing mechanism that is expected to take effect after 2012, The Copenhagen Agreement contains a commitment by developed countries to provide "new and additional

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<sup>31</sup> Canada's current targets are:

- 20% below the 2006 level in 2020, equivalent to 3% below the 1990 level
- 60 to 70% below the 2006 level in 2050, equivalent to 51-63% below the 1990 level.

<sup>32</sup> Under the Copenhagen Accord, developed countries commit jointly to mobilizing "USD 100 billion dollars a year by 2020 to address the needs of developing countries." However, this is not a solely public contribution; the Accord states that the funding "will come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources of finance."

resources...approaching USD \$30 billion for the period 2010-2012”, to support both mitigation and adaptation. G8 countries must fulfill this pledge in 2010, including by ensuring that any remaining near-term adaptation needs identified by the Least Developed Countries are fully met. G20 countries can lay the foundation for an adequate and equitable post 2010 global climate fund.

### **What we can do:**

- Of the Copenhagen Accord’s USD \$30 billion, Canada’s share is approximately C\$1 billion in new and additional resources, based on an annual commitment of C\$320-\$420 million, or 3-4% of the total. A priority area for Canada’s contribution should be the implementation of the national adaptation programmes developed countries under the UN’s Least Developed Countries Fund. G8 countries can also work to ensure adaptation financing and frameworks address the need for disaster risk reduction and conflict mitigation while increasing the resilience of vulnerable women and men.

### ***Opportunity: Phase out Fossil Fuel Subsidies***

At the G20 meeting in Pittsburgh in September 2009, G20 countries agreed to “phase out and rationalize over the medium term inefficient fossil fuel subsidies while providing targeted support for the poorest”. Energy and Finance Ministers committed to “develop implementation strategies and timeframes, and report back to leaders at the next Summit.” – which is the Toronto G20 Summit in 2010.

### **What we can do:**

- Set an example by producing a full and public accounting of its public support for fossil fuel production and consumption, including those contained in tax and royalty regimes, and commitment to an ambitious federal/provincial plan to phase out those subsidies.