Issue Objectives Report
2006 St. Petersburg Summit

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Energy Security

Energy Principles

Energy has traditionally been a key issue addressed at past G8 Summits. The importance of energy efficiency was introduced at the 2003 Evian Summit and was reaffirmed at the 2004 Sea Island Summit. At the 2005 Gleneagles Summit, the G8 leaders agreed to the Gleneagles Plan of Action which established three goals: to develop markets for clean energy technologies, create renewable energy, and increase availability of energy particularly in developing countries in order to ensure a sustainable future. Energy will also top the agenda at the 2006 St. Petersburg Summit given rising oil and gas prices, a growing demand of energy particularly from China and India, and an increasing gap between supply and demand of energy. Within this issue area, the G8 leaders will specifically address issues of energy security, renewable energy and energy poverty at the 2006 Summit.

Objective 1: Energy Security

With energy sources currently lacking in regions throughout the world, increased problems faced in the Middle East, growing demand from India and China, as well as high energy prices, energy security is at the top of the G8 agenda. Russian President Vladimir Putin in his article titled “The Upcoming G8 Summit in St. Petersburg: Challenges, Opportunities, and Responsibility” has urged the world community to work together to formulate a “…reliable and comprehensive system of energy security.” Ensuring a reliable and sustainable supply of energy will only occur with a global effort of developed and developing countries collectively addressing the issue. Hence, it is anticipated that the G8 leaders will commit to higher transparency of energy markets, alternative energy sources, and innovative technologies to ensure global energy security.

According to a leaked draft copy of the “Global Energy Security” joint statement and action plan dated March 16 and expected to be released by the G8 leaders on July 16, the G8 will aim to increase “the use of nuclear energy, boosting investment in oil and gas supplies, and promoting global cooperation to deal with terrorism aimed at energy facilities.” Support from the G8 is also anticipated for Moscow’s initiative to establish centres for international nuclear fuel cycle services. One of Russia’s ultimate goals is to invest in Western energy infrastructure and technology in return for access to its

abundant energy resources. In particular, the conflict between the EU and Russia over ratification of the Energy Charter Treaty will headline the energy security objective in St. Petersburg.

**Objective 2: Energy Poverty**

A significant part of energy security also means access to sufficient energy services for the 2 billion people living without it. These people rely on traditional fuels such as wood, dung, and crop residue for everyday needs. The World Energy Council reports that the use of traditional energy sources can reach 95% in some countries; these sources of energy tend to be unsustainable. Although energy itself cannot solve the issue of poverty, it does deter economic growth which is essential for poverty reduction. In addition, a global ecological disaster is possible due to the unsustainable use of energy. The G8 is expected to address this issue by emphasizing energy efficiency, the need to develop new technologies, and the need to pursue non-conventional energy sources. It is projected that the G8 will reaffirm its commitment to ensuring Africa’s access to reliable and efficient energy. In his address to visitors to the official site of the 2006 Russia’s G8 Presidency, Putin stated: “…we must think very seriously about ways to bridge the gap between energy-sufficient and energy-lacking countries.”

**Objective 3: Renewable Energy**

At Gleneagles, the G8 leaders agreed to the Gleneagles Plan of Action which showed their commitment to renewable energy. It recognized that renewable energy is even more significant in the global energy sector due to the continuous reliance on fossil fuels and increasing air pollution and greenhouse gas emissions. At St. Petersburg, it is anticipated that leaders of the G8 will renew their commitment to renewable energy and also aim to persuade non-G8 countries to adopt the Plan of Action. Renewable energy has a significant impact on both ensuring an adequate energy supply for future generations as well as helping to achieve a balanced and fair energy supply for the world today.

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result, Russia aims to, “put forth a package of measures and an action plan to overcome economic and technological barriers to raising the efficiency of traditional and developing technologies”12 which will “…ensure effective production, transfer and use of clean energy.”13

Conclusion

Given that energy issues top this year’s G8 agenda, it is likely that the Group will devote considerable time and effort deliberating on this policy issue. Chances of reaching a collective agreement on energy are high. The global nature of energy security will require that the G8 develop a comprehensive action plan addressing such issues as the widening gap between energy supply and demand, rising energy prices, investments in renewable energy and energy poverty. It is necessary that the G8 focus on energy because it directly impacts the social and economic development of all countries. Success at St. Petersburg will be determined by the G8 re-casting the Energy Charter Treaty in such a way as to ensure Russian ratification. Other policies bridging the gap between energy-rich and energy-poor countries, increasing renewable energy and ensuring energy security will easily follow such an agreement.

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Energy Charter Treaty and the Plus Five Process

Russia’s presidency of the G8 has been marked by an emphasis on energy security, one of the most common issues at Summits’ since the inception of the G8.14 This year’s Summit is faced with two aspects of the broader topic that are related to establishing appropriate international institutions to address the problem of energy security and that are of recent concern for the G8: the Russian ratification of the Energy Charter Treaty (ECT) and the continuation of the Plus Five Process (G8 +5).

Objective 1: The Energy Charter

With the break-up of the Soviet Union, the countries of Eastern and Western Europe sought to clarify international laws governing the energy sector to “overcome the previous economic divisions on the European continent.”15 The non-binding European

Energy Charter was established in December 1991 to accomplish this task and developed into the Energy Charter Treaty which came into force in April 1998. The Treaty is a binding multilateral agreement governing aspects of the energy sector in order to “establish a legal framework in order to promote long-term co-operation in the energy field.” Of the G8 countries, Germany, Italy, Britain, France, and Japan have ratified the ECT, Russia has signed but has not ratified, and Canada and the United States have observer status.

The ECT has not previously been an issue on G8 agendas, although it was endorsed in the communiqués produced at the 1991 and 1998 Summits and the 1998 Energy Ministerial. However, several events over the past year have caused G8 member countries to recognize the importance of the Treaty in achieving energy security, particularly in having Russia as a member of the Treaty.

First, the general insecurity, increasing interdependence, and globalization of international energy markets have raised awareness among net energy-importing countries (which include the European members of the G8 and the United States) about the need for security of supply which the ECT is thought to achieve. Second, Russia’s cutting of gas supplies to the Ukraine, in direct violation of ECT regulations, in January

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2006\(^{25}\) has caused many other G8 nations to be worried about the reliability and predictability of Russia energy supplies, a fear which they believe could be alleviated were Russia to ratify the ECT.\(^{26}\) Third, a recently proposed Russia law that would serve to restrict foreign access to the country’s energy reserves has also intensified worries about energy security.\(^{27}\)

Russia’s unwillingness to ratify the ECT has stemmed from an inability to reach consensus on a Transit Protocol component of the Treaty that would govern transit flows of energy resources since formal negotiations commenced in 2000.\(^{28}\)

The objective of the G8 at the St. Petersburg Summit is to get Russia to ratify the Energy Charter Treaty. Specifically this means reaching an agreement on the outstanding Transit Protocol negotiations between the EU and Russia.

It is clear that this is one of the objectives at the St. Petersburg Summit because many countries, groups, and individuals have called for Russian ratification of the ECT by the conclusion of the Summit. Both past and president Secretary Generals of the Energy Charter Treaty\(^{29}\) and the other G8 countries at the recent Financial Ministerial\(^{30}\) have issued statements to this effect.

The likelihood that an agreement will be reached on the Transit Protocol and/or that Russia will ratify the Energy Charter Treaty is very low for four reasons. First, Russia’s decision not to attend scheduled talks with the EU in November 2005 on the Transit Protocol\(^{31}\) suggests that they are uninterested in negotiations. Second, many recent statements by Putin and various Russia ministers explicitly state that they do not support

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27 Russia toughens talk on foreign access to energy reserves, Agence France Presse, (Paris), 13 June 2006.
Third, the inability to reach an agreement on the ECT at the recent Financial Ministerial indicates that Summit agreement is unlikely. Fourth, experts such as the EU Energy Commissioner Andris Piebalgs are now predicting that it will not be until the EU-Russia energy conference in October that Russian ratification will be possible.  

**Objective 2: The Plus Five Process**

At the 2005 Gleneagles Summit, British and G8 President Tony Blair started a new G8 initiative: to regularly include the voices of the five largest and most heavily industrialized developing countries in G8 talks on climate change and energy usage (previous inclusions had been on a one-off, ad hoc basis). This initiative was motivated by the fact that the G8 would be unlikely to achieve significant progress on combating climate change and discussing energy usage without the countries that are producing increasingly significant amounts of emissions and because a new global consensus on climate change and energy usage would be necessary following the 2012 expiration of the Kyoto Protocol. The energy and climate change communiqué from the Summit was issued jointly by the G8 and the Plus Five. The five developing countries involved in the talks were China, Brazil, India, Mexico, and South Africa. Through the past year since Gleneagles, the Plus Five Process has continued, with significant Plus Five involvement in climate change and energy security discussions.

The objective of the Plus Five Process is to continue to include the voices of the five largest developing countries in G8 discussions on energy and climate change, both at the Summit and at accompanying Ministerial and Sherpa meetings. This objective is evidenced by the fact that the Plus Five countries have been invited as equal participants to all such meetings.

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32 The Duma is prepared to Legalize Status of Gas Export Monopoly for Gazprom, Russian Finance Report, (Moscow), 9 June 2006.; Russia to Keep Foreigners Away from Gas Pipes, Skrin Newswire, 9 June 2006; Russica Izvestia, Russia shuts off the valves, Russian Press Digest, (Moscow), 7 June 2006; Old and Gas; G8 meeting fails to resolve EU-Russian uncertainties, Greenwire, 12 June 2006; Finance Ministers fail to find unity on energy security G8 meeting, Financial Times, (New York), 12 June 2006; Vladimir Putin Passes the Charter, Kommersant, (Moscow), 21 June 2006. Date of Access: 22 June 2006. 
It is very likely that the goal of continuing to include the Plus Five countries in discussions on energy security and climate change will continue at the St. Petersburg Summit for three reasons. First, the relevant government officials have already been invited to all of the meetings. These countries will not be playing a marginal role, as, for example, Brazil will be making a presentation on biofuel technology. Second, statements issued by the Russian, British, and Canadian governments have emphasized their commitment to the inclusion of the Plus Five countries. Third, the Plus Five countries were included in the Energy and Financial Ministerials on 15-16 March and 9-10 June.

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Climate Change

In spite of a desire on the part of some G8 members and numerous civil society groups to see climate change continue to be a focal issue, the G8 is unlikely to see very much success on the issue at the St. Petersburg summit as ‘traditional’ energy security will instead feature prominently on the agenda. The 2005 Gleneagles G8 Summit and particularly the negotiations process leading up to it saw an unprecedented focus placed on climate change. The 2005 Summit launched the Gleneagles Plan of Action and the ‘G8+5’ Dialogue on Climate Change, Clean Energy and Sustainable Development and the United Kingdom ensured that the Dialogue saw its first meeting from 1-2 November 2005. Indeed, British Prime Minister Tony Blair had repeatedly said that climate change was a focal issue of the UK’s presidency of both the G8 and European Union in 2005.

This focus was timely given the coming into force of the Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC) on 16 February 2005...
after the ratification of the document by the Russian Federation in November 2004. The Kyoto Protocol, agreed to at the third Conference of the Parties to the UNFCCC (COP3) in 1997, sets out specific national targets for reductions in annual emissions of greenhouse gases (GHGs) over 1990 levels by 2010. The Kyoto mechanism of binding emissions targets has been the main point of contention for G8 members, all of whom but the United States have ratified the Protocol. The Gleneagles discussions were timely as the first meeting of the Conference of the Parties acting as Members of the Protocol (COP/MOP1) was held in Montreal in November and December 2005. Those and subsequent discussions in Bonn, Germany, in May 2006 saw details of a post-Kyoto negotiations process hammered out, which will focus on binding emissions reductions targets extended, whether or not the United States comes on board with Kyoto.45

This is the context in which the G8 climate change negotiations process has occurred, while the Russian Federation has chosen this year to focus the discussions ahead of the St. Petersburg summit on the issue of energy security. The role that technology can play in tackling climate change and energy security-related issues was much-touted at Gleneagles and will likely overshadow any other potential discussion of climate change.

Objectives

If the G8 members take up the issue of climate change seriously, their collective objective will be statements in support for key Gleneagles climate change outcomes including the Gleneagles Plan of Action and Dialogue on Climate Change, Clean Energy and Sustainable Development. Full success will only be achieved, however, if attendees can bridge the policy divides between the United States and other G8 states and agree on a way to include the United States in any future international climate change regime.

Objective 1: Reiterating Gleneagles Commitments

The statement by G8 leaders at Gleneagles that “human activities contribute in large part to increases in greenhouse gases associated with the warming of our Earth's surface”46 was seen by some as a significant achievement for G8 leaders, as the United States had been previously unwilling to acknowledge the human role in climate change,47 but also represented a significant compromise for the seven G8 members that were also parties to the Kyoto protocol.48 There are indications from both Tony Blair49 and Russian President


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Vladimir Putin\(^{50}\) that climate change will be raised as an issue in the context of energy security. Thus, G8 members will at the very least seek to reiterate support for the Gleneagles Plan of Action and Dialogue on Climate Change, Clean Energy and Sustainable Development.

**Objective 2: Moving Beyond Gleneagles**

Movement beyond the Gleneagles Plan of Action will be difficult for the G8, but if its members seek to do so, they will need to resolve a lingering dispute between the United States and the other G8 members as to the best way to resolve the problem of climate change. The European Union (EU) and most of its members have moved forward on fulfilling the binding emissions reductions targets that each EU member agreed to under the Kyoto protocol.\(^{51}\) Indeed, during UNFCCC meetings in Montreal and Bonn, EU members reiterated their commitment to move forward with binding emissions reductions targets in the range of 15-50% by 2050.\(^{52}\) Russia, Japan and Canada are also in support of such binding targets,\(^{53}\) even if the two have done little to mitigate their own emissions.\(^{54}\) In this context, European G8 members and especially the United Kingdom, which recently appointed a special climate change ambassador to lead international negotiation on climate change\(^{55}\) and which has said it would raise the climate change issue in St. Petersburg,\(^{56}\) will likely be pressing for an expression of support for extending emissions reduction targets and support for the UNFCCC process.

The United States and Japan meanwhile have created, with Australia and other non-G8 states, the Asia Pacific Partnership on Clean Development and Climate (APPCDC). This group, which met in January for the first time, is seen by many as one that is parallel or even a challenge to the UNFCCC process and which has advocated for voluntary emissions reductions targets.\(^{57}\) The United States will likely seek a statement of support by its G8 allies for this parallel process. The United States and Russia are for their part likely to echo calls in the 22 June 2006 International Energy Agency (IEA) report (one that the G8 requested in its Gleneagles communiqué) that urged immediate action to halt

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global climate change but also noted that GHG emissions reductions were possible with significant investment in new technologies.  

Full success at St. Petersburg **vis-à-vis** climate change will only be achieved if G8 members can bridge these significant differences in their approaches to the climate change problem. Few if any of the G8 members will want to see the creation of new institutions, particularly as the Gleneagles Dialogue on Climate Change, Clean Energy and Sustainable Development has only held one meeting thus far and will only report to the G8 when Japan hosts a Summit in 2008. 

**Conclusion**

The gap between the United States and its European G8 partners on climate policy was not completely bridged at Gleneagles, with the nations only agreeing to state that “[t]hose of us who have ratified the Kyoto Protocol remain committed to it, and will continue to work to make it a success.”  

A simple reiteration of support for the Gleneagles commitments in St. Petersburg is likely and will not face significant difficulties. The challenges facing the G8 members in St. Petersburg to any additional agreement on climate change will be significantly higher than at Gleneagles.

The gap, however, between the United States and the EU on climate change seems to be narrowing, particularly given the recent US-EU accord on climate change. The United States and the EU agreed to start their own High Level Dialogue on Climate Change, Clean Energy and Sustainable Development which will focus on technology sharing and bridging the ground between the two on climate change, while not mentioning the Kyoto Protocol or binding commitments. This could be a signal that there may now be room for further agreements at the G8 Summit in July. However, it also represents a realization on the part of European negotiators that the United States will not engage on the climate change issue if binding targets are on the table. The United States has been unwilling to make binding commitments without large developing countries including China and India taking on emissions reductions targets themselves under any climate regime. As a result of this unwavering US stance, if a breakthrough is to happen, it will likely involve some compromise in the context of the Dialogue launched at Gleneagles, which includes the ‘G8+5’ states of China, India, Brazil, Mexico and South Africa, and which are all significant GHG emitters. Representatives of each of these nations will be in attendance at St. Petersburg.

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The most significant difficulty to meaningful advancement of the climate change issue in St. Petersburg is its place on the agenda: at best, a secondary consideration in the larger discussion of energy security. For all the rhetoric that energy security and climate change are related, after the G8 energy ministerial on 16 March 2006, neither Mr Putin nor the Chair’s meeting summary addressed climate change directly, both merely spoke of “environmentally sustainable energy”, which is far less specific than the language at Gleneagles. Furthermore, unlike the Gleneagles process, there have not been any meetings of G8 environment ministers, with or without their energy counterparts. The only serious attempt at climate change discussions surrounding the G8 have been in non-governmental circles, including reports by the Civil 8 forum and the recent G8 Plus Five Joint Science Academies Statement which called on the G8 leaders to focus their discussions on a broad range of sustainability-related issues, including climate change. Thus, Mr Blair’s desire to raise the climate change issue in any significant way may fall on deaf ears in St. Petersburg, as G8 members seem to be willing to move away from the contentious climate change issue and speak only in terms of advancing ‘environmentally sustainable technologies’. Thus, any strengthening of Gleneagles language on climate change, the proposal of any new initiatives aimed at tackling climate change and the bridging of the wide gap between the US and its G8 partners on the issue are very unlikely prospects for St. Petersburg.

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Nuclear Energy

Since the Russian Federation assumed the presidency of the G8 in January 2006, nuclear energy has consistently been on the agenda in most discussions surrounding energy security. Nuclear energy is seen by many as a sustainable, cost-efficient and clean alternative to traditional fossil-fuel based electricity production. Globally, however, currently only 6.1% is supplied by nuclear power, while oil, coal and natural gas dominate, with 37.3%, 26.5%, and 23.9%, respectively. Among the G8 members themselves, the use of nuclear energy varies, with nuclear power making up for 78.5% of France’s total electricity consumption. Italy’s consumption share is approximately 13%.

all imported from France, as Italy has not had any operational nuclear reactors since 1990. (The other G8 countries’ nuclear energy shares are: Canada, 14.6%; United States, 19.3%; United Kingdom, 19.9%; Japan, 29.3%; Germany, 31.0%.)

Many, including British Prime Minister Tony Blair and international institutions such as the World Nuclear Centre see nuclear energy as an efficient method of reducing Greenhouse Gas (GHG) emissions, a commitment undertaken by seven of the eight G8 members under the 1997 Kyoto Protocol. Critics charge that nuclear power in its present state is not only unsafe, but that the risks of proliferation and development of nuclear weapons outweigh any potential benefits.

At Gleneagles, G8 members were not able to reach agreement on what role, if any, nuclear power should play, particularly because of opposition from Germany, who has a legislative commitment to phasing out nuclear power. As a result of the significant divide, G8 members were only able to agree to a statement that, “We take note of the efforts of those G8 members who will continue to use nuclear energy, to develop more advanced technologies that would be safer, more reliable and more resistant to diversion and proliferation.” In the wake of rising oil and natural gas prices since Gleneagles, there has been a renewed interest in expanding nuclear power’s share of the energy mix to minimize exposure to these rising fossil fuel prices.

Objective 1: Expanding the Use of Civilian Nuclear Power

A key objective for the G8 will be to move beyond simply making statements about nuclear safety to make clear plans and recommendations on what role civilian nuclear power is to play in the energy mix. This will require overcoming the objections of Germany and other G8 members. A discussion draft of a ‘Global Energy Security’ communiqué leaked to the Financial Times as early as March 2006 highlighted the desire of most G8 members to expand the use of nuclear power, among a number of other initiatives, while the Russian G8 presidency has noted the importance of nuclear power. The British government, which had previously been non-committal in its support of nuclear power, released a report in March suggesting that Britain must

73 Kohei Murayama, G8 leaders eye int’l centers for nuclear fuel cycle, Kyodo News, (Tokyo), 15 March 2006.
74 Russian, German finance ministers discuss G8 ministerial meeting, RIA Novosty, (Moscow), January 11, 2006.
increase its nuclear power output in order to ensure supply and meet its climate change objectives.\(^{75}\)

While most G8 members support the expanded use of nuclear power, there are at least two notable exceptions: Germany and Italy. Germany is the most vocal opponent of nuclear power, having committed to removing nuclear energy from its supplies by 2023,\(^{76}\) and it was German reticence that prevented further discussion of the issue at Gleneagles. Italy’s new government under Prime Minister Romano Prodi has joined Germany in blocking agreement on the issue leading up to St. Petersburg and opposing further nuclear developments, beyond additional safety measures.\(^{77}\) Thus, if any additional issues beyond safety (and non-proliferation) are to be in any communiqué the six remaining members must successfully overcome the reticent two.

**Objective 2: Nuclear Proliferation**

The G8 communiqué at Gleneagles featured statements calling on both Iran and North Korea to halt development of any nuclear weapons.\(^{78}\) This is a critical objective for the G8 once again, as Iran has continued its civilian nuclear development, but has not allowed outside inspections.\(^{79}\) Indeed, G8 members Russia, Germany, France, the United States and Great Britain along with China make up the so-called ‘Contact Group’ that is leading negotiations with Iran.\(^{80}\) The UN has offered Iran a package of incentives, delivered to Tehran by EU Foreign Policy Commissioner Javier Solana on 6 June 2006, with a deadline of the G8 summit to respond.\(^{81}\) According to reports, the package offers assistance to Iran in establishing a civilian nuclear program but demands a suspension of uranium enrichment as a pre-condition of negotiations.\(^{82}\) Iranian leaders have said that

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they would not respond until 22 August 2006, and the issue looks set to dominate the G8 agenda.\(^{83}\)

There is likely to be significant success on the issue, with all members agreeing to call on Iran to give up its development programme, and reply to the EU offer, not least because of the extensive involvement of the G8 members themselves in the negotiations. Italy will likely stress that a diplomatic solution to the issue is important, and push to avoid including a threat of sanctions, particularly because of its strong trade ties to Iran.\(^{84}\) The Russian government has said that it agrees that there is no immediate threat, but is still likely to oppose US calls for sanctions, just as it did in March 2006 when it and China’s opposition to sanctions prevented the establishment of a joint policy towards Iran’s nuclear activities from the ‘contact group.’\(^{85}\) Agreement on the basic principles of non-proliferation and peaceful solutions is an almost guaranteed outcome of the Summit.

**Objective 3: Russian Nuclear Enrichment Proposal**

Nuclear safety is an issue that the G8 dealt with prominently in its Gleneagles communiqué – indeed it was the only nuclear issue that the group was able to agree upon at the 2005 Summit. Safety and non-proliferation are concerns that all G8 members share but in an attempt to move forward on further agreements on nuclear production, Mr Putin began his G8 presidency with an innovative proposal to provide states with enriched uranium for peaceful use in nuclear reactors. Mr Putin would like the G8 to endorse a regime under which the International Atomic Energy Agency would supervise a set of international sites that would enrich uranium for peaceful use in nuclear reactors.\(^{86}\) Indeed, he has suggested that Russia would host the first of those sites.\(^{87}\)

According to a leaked version of the communiqué, G8 members appear likely to agree to Mr Putin’s proposal, but there appear to have been no substantive discussions on the issue since the 15-16 March 2006 G8 energy ministerial.\(^{88}\) With few statements by other individual members on the proposal, assessing the chances for success remains difficult, however, Germany, Italy are likely to remain significant obstacles. The German and Italian positions opposing expanded use of nuclear energy are likely to impede agreement on the proposal. The United States for its part is likely to be the largest proponent of the Russian position, as it has proposed a similar initiative, the Global Nuclear Energy

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Partnership, which would supply nuclear fuel to other countries. The United States will be concerned, however, that any such regime includes safeguards to guarantee peaceful use of nuclear fuels. Thus, if success on this issue is to be achieved, the United States and Russia will need to come together to move Germany and Italy towards a compromise on their strict anti-nuclear positions.

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Infectious Diseases

HIV/AIDS

Infectious diseases (primarily HIV/AIDS) were first tackled by the G7 in the final document of its Venice Summit in 1987. In the 1990s, the issue of protecting citizens against infectious diseases was given further attention. In particular, the 1996 Lyon Summit and the 1997 Denver Summit dedicated much attention to combating infectious diseases. More recently, the leaders of the G8 have recognized the importance of global health in promoting development and poverty reduction, as outlined in the 2005 Gleneagles Communiqué. At the upcoming 2006 St. Petersburg Summit, fighting infectious diseases will be one of three priority themes on the agenda. The Russian Finance Minister, Alexei Kudrin, told reporters on 11 January 2006 that “during its presidency in the G8, Russia plans to focus on counteraction to infectious diseases…” Moreover, on 1 March 2006, President Putin of the Russian Federation stated that he ‘certainly hopes to make progress in examining the issue of infectious diseases.’ Specifically, the leaders of the G8 will discuss: (1) Replenishment of the Global Fund; (2) The enhancement of global monitoring of communicable diseases; (3) HIV/AIDS in Eurasia; and (4) HIV/AIDS Vaccine.

Objective 1: Replenishment of the Global Fund

The purpose of the Global Fund is to attract, manage, and disburse resources to fight AIDS, TB and malaria. A commitment of $10 billion in 130 countries and to date, only $2.2 billion has been paid out. A funding deficit has posed immense challenges to the sustainability of existing programs and has been a barrier to the implementation of new programs which allege to prevent and treat citizens suffering from these diseases. Substantial new funding is required to finance additional grants and to continue successful programs. Accordingly, the G8 will seek to solidify and mobilize further funds in order to sustain ongoing programs in the fight against HIV/AIDS, TB, and malaria around the world.

According to a 2005 report produced by the Kaiser Network, the U.S. government has been the largest donor to the HIV/AIDS programs in Africa, whereas contributions from Canada, Germany, Italy, and Japan have been slow. However, it was reported in 7 April 2006 that the fund has already approved grants worth $5 billion with donations primarily from Europe, the US and Japan. Additionally, East Asian and Pacific economies will need $5.1 billion annually by 2007 to fund a “comprehensive response” to the region’s HIV/AIDS epidemic, according to a report released on 17 June 2006 by the U.N. Economic and Social Commission for Asia and the Pacific; current funding estimates of $1.6 billion, which would come from the Global Fund amongst other sources, will be available in 2007, according to a UN agency. Given this scenario, Japan is likely to continue funding for the Global Fund. Finally, The Government of France has taken a leadership role in obtaining funding for the Global Fund, and will most likely push for support for its UNITAID initiative.

Objective 2: Enhanced Global Monitoring of Infectious Diseases

Gennady Onishchenko, Russia’s chief sanitary inspector stated that Russia will propose measures to improve global monitoring of prevalent infectious diseases… A recent statement by President Putin also stated that “the creation of a global system to monitor dangerous diseases….will have a major positive influence on the solution of these serious problems.” To date, AIDS, TB and malaria have claimed 6 million lives worldwide. Enhanced surveillance of these diseases is critical, and is in accordance with the “Three Ones” principles for the coordination of national AIDS responses. Following these principles, the G8 leaders will likely propose measures to improve global monitoring of such prevalent infectious diseases.

Moreover, the G8 nations will focus on specific interventions of these communicable diseases by working in collaboration with WHO and UNAIDS. It is also very likely that the G8 leaders will commit significant funds to research and development, in the field of prevention and treatment of communicable diseases. Dr. Wieslaw Jakubowiak, coordinator of the WHO Tuberculosis Control Programme in the Russian Federation, stated the G8’s intention to discuss ways of preventing the spread of HIV/AIDS, TB, and

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102 Address by Russian President to Visitors to the Official Site of Russia’s G8 Presidency in 2006, G8Russia, (Moscow) 2006, Date of Access: 21 June 2006) http://en.g8russia.ru/agenda/.
malaria was extremely important. Russia has prepared a draft document outlining the problems of perfecting the monitoring of infectious diseases, thus, Russia will likely introduce this topic. The US Government will likely support Russia with respect to enhanced monitoring of diseases as it believes that “monitoring and evaluation is an essential component of good HIV/AIDS program management at all levels.” Already, the US Government funds monitoring programs in Africa, Asia and South America.

**Objective 3: HIV/AIDS in Eurasia**

The geographical focus of G8 policies and funding for HIV/AIDS prevention and research has been largely centered on sub-Saharan Africa, which has been the region most devastated by HIV/AIDS. However, there have been increasing numbers of new HIV infections and AIDS deaths in Eurasia (Eastern Europe and Central Asia), and the number of people infected with HIV in Russia, China and India is expected to increase.

Although G8 countries have spent most of their effort and resources on the containment of epidemics in Africa, the spread of HIV will receive extensive attention in St. Petersburg, as the leaders of the G8 heighten their response to the Eurasian outbreak of the epidemic. To date, Russia has 340,000 officially registered AIDS cases but international estimates put the figure at over 1 million. Tatyana Yakovleva, head of the Duma’s Public Health Committee, stated that half of the $100 million allocated to Russia for fighting AIDS this year would go towards prevention. Due to the rising rates of HIV/AIDS in Russia, combined with the migration and illicit trafficking in humans and drugs from bordering states, leaves Russia in a vulnerable position with respect to the disease. Therefore, Russia will be quite adamant about addressing the issue of HIV/AIDS in Eurasia, and soliciting funds towards the prevention of the disease.

According to UNAIDS estimates, Eurasia faces the fastest growth of new HIV infection in the world. We can expect the leaders of the G8 to commit financial and human resources to combat the proliferation of HIV in Eurasia. Specifically, we can expect greater interaction amongst the leaders of the G8 and the governments of India, China, and other Eurasian countries in order to ensure stable financing of programs. These nations can assist in the research as “each is endowed with exceptional scientific and

A broadened engagement with China, India and other Eurasian countries will work in the interest of G8 nations as it will intensify global HIV prevention efforts, including the expansion of a scientific research centre to develop an HIV vaccine. Given that Russia, China, and India are “substantial global exporters and importers whose burgeoning economic fortunes are interdependent with those of G8 member countries,” there is likely to be cooperation among the G8 countries in this endeavor. However, given that approximately 30% of new HIV transmissions is a result of injection drug users, Canada will give likely not allocate significant funding to curbing the proliferation of HIV/AIDS in Eurasia because Canada ‘treats injection drug users as a criminal issue rather than an issue of public health.’ It is more likely that Canada’s contribution to combating HIV/AIDS in Eurasia will be grouped under official development assistance, rather than combating the disease in Eurasia.

The G8 leaders will also likely mobilize civil society in finding solutions to minimize the spread of HIV/AIDS in Eurasia. President Putin stated on 1 March 2006 that he “hopes that by uniting the efforts of politicians, scientists, public figures, informal organizations and NGOs, the international system will be able to make real progress and achieve real improvement on this front.” This is also in accordance with the commitments made at Gleneagles, in terms of increased interaction with civil society in combating infectious diseases.

**Objective 4: HIV/AIDS Vaccine**

At the 2005 Gleneagles Summit, the G8 leaders agreed to work with WHO, UNAIDS and other bodies to develop and implement a package for HIV prevention, treatment and care, with the aim of universal access to treatment for AIDS by 2010. In light of the ensuing debates over providing affordable access to medications in the face of the pharmaceutical industry's vigorous protection of patent rights, universal access to treatment of AIDS is a challenging goal. Thus, increased financial commitments by the G8 leaders are crucial to making this goal a reality. The forthcoming G8 Summit will witness a greater investment in antiretroviral treatment for those plagued by the disease. HIV/AIDS related discussion will center largely around incentives aimed at vaccine development. Russia and US are developing a set of common measures to prevent HIV taking an epidemic scope.

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Additionally, Russia and the United Kingdom are working on an HIV vaccine. Thus, Russia, the United Kingdom and the U.S. in particular will push for a commitment relating to the HIV/AIDS vaccine in the Summit’s final communiqué.

Fauzia Issaka
G8 Research Group

Avian Flu

The highly pathogenic H5N1 Influenza A virus is a cause for grave concern at the summit as this virus has the potential to trigger a global pandemic. Since December 2003, when the current outbreak was detected in the Republic of Korea, avian influenza has been expanding geographically resulting in disease in both poultry and humans in an unprecedented number of countries. Thus far, the virus does not easily transmit to humans. Nevertheless, the continuous occurrence of H5N1 infection in birds and humans is raising concerns about the emergence of a new virus with the potential to spread rapidly among humans, triggering a pandemic. Consequently, the G8 has made the issue of a possible avian flu pandemic a major topic of discussion at the upcoming St. Petersburg summit. The combination of domestic pressure to increase preparedness and international fears regarding the spread of a pandemic, should even one country fail to contain an infected population, has made international cooperation, and the allocation of funding to achieve such co-operation, a vital component of preparedness.

Objective 1: Early Detection and Control at the Source

To prevent or delay occurrence of a human influenza pandemic, the G8 is seeking to develop capacities for early detection and containment of an outbreak of the human-to-human infection. They will focus discussions on a national, cross border, regional and international level (as recommended at the Conference held in Tokyo on 12-13 January 2006). The G8 Health Minister’s welcomed the commitment given by the Russian Federation both to increase the capacity of public health systems in Central Asia and to develop collaboration among the public health authorities of this region.

This objective will likely result in a commitment to greater cooperation and more open communication between states and international health organizations. In their joint statement following the April Health Ministerial, the leaders cited their commitment to “support the global early warning system coordinated jointly by the WHO, the UN Food and Agricultural Organization (FAO), and the World Organization for Animal Health (OIE).”

Any commitment regarding detection, early warning and control at the source will most likely be met with support from all G8 countries, as they share a mutual vulnerability to the perils of inadequate warnings and a lack of control at the source of an outbreak.119

**Objective 2: Pandemic Preparedness and Response**

In their joint statement at the conclusion of the April ministerial, the G8 Health Minister’s expressed their support for enhanced measures in preparation for a possible pandemic: “We will continue to develop our preparedness for a pandemic, including risk communication strategies, medical and public health services, research and development of new technologies including vaccines and new means of treatment. We will share information on our pandemic preparedness plans.”120

The Minister’s reiterated their support for the political and financial commitments made at the Beijing Pledging Conference of 17 and 18 January 2006. The Beijing Pledging Conference was held in January 2006. It was co-sponsored by the Government of the People’s Republic of China, the World Bank and the European Commission. It was convened to mobilize financial support towards the growing threat of avian flu and resulted in a US$1.9 billion to support national, regional and global action.121 In their statement, they said they “are looking forward to follow-up reports by the World Bank and action to be discussed and decided upon at the International Partnership on Avian and Pandemic Influenza (IPAPI)/ European Union (EU) Vienna senior officials meeting on avian and human pandemic influenza on 6-7 June 2006 open to any interested countries and relevant international organizations.”122

The leaders will likely reiterate their support for the agreement made at the January 2006 Beijing Conference and the funds pledged. This agreement committed to the implementation of national action plans within the framework of WHO/FAO/IOE global strategies. It is also likely that they will express continued support for the establishment of a World Bank multi-donor fund to assist countries in setting up national preparedness plans and provide funding for such plans, if needed. They will also reiterate their support for the WHO-administered Global Outbreak Alert and Response Network (GOARN).

**Objective 3: International Health Regulations**

In their joint statement, the G8 Health Minister’s cited the revised International Health Regulations (IHRs), as important instruments for development of core capacities, exchange of epidemiological information and quick mutual response and consultations to prevent an H5N1 flu pandemic. They also conveyed their sense of urgency with respect

to the development of such a regulatory framework: “Because the universal application of the IHRs will be beneficial to the world we support their early voluntary implementation by countries and we are looking forward to seeing this document introduced into practice very soon.” Currently, member states have until December 2006 to offer any reservations or reject the new IHRs and until June 2007 to implement them. The Ministers’ of Health also reaffirmed their commitment to the WHO-administered Global Outbreak Alert and Response Network.

The leaders will likely reiterate their pledge to assist in the universal application of IHRs and implement them in advance of the June 2007 deadline. A statement regarding early application of the new IHRs would constitute fulfillment of this objective.

**Objective 4: Human-to-Human Transmission**

On 23 June 2006, the WHO announced laboratory confirmation of human-to-human transmission in a family in Jakarta, Indonesia. Apparently, a young boy passed a mutated form of the H2N1 Avian flu virus to his father – this could constitute proof of human-to-human transmission. Despite this development, Keiji Fukuda, director of the WHO’s global influenza program, does not believe that the case represents the beginning of a global pandemic. When asked by reporters, he said, “The answer is clearly no…we see no evidence of the start of pandemic influenza.”

This evidence will likely put further emphasis and increase the sense of global urgency on what is already a critical global health topic at the St. Petersburg Summit.

**Conclusion**

There is likely to be broad consensus on the establishment and fulfillment of commitments relating to the H5N1 strain of avian influenza. All G8 countries seem to recognize that preparedness and containment of a potential pandemic is imperative and that such a pandemic would not only have dire repercussions for global health but also for the global economy. Thus, it appears likely that firm commitments will be made at the St. Petersburg Summit and expressed through an action plan that pledges significant funds to achieve the swift manufacture of vaccines, increased co-ordination with the WHO and other international organizations and adherence to revised international health regulations.

Laura Hodgins
G8 Research Group

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Tsunami Surveillance

In the wake of the 26 December 2004 Indian Ocean earthquake the international community realized how the lack of tsunami surveillance and preparedness for a possible earthquake had devastating consequences. Measuring between 9.1 and 9.3 on the Richter scale, over 200 000 people died in the 2004 tsunami. Many lives could have been saved had there been an early warning system in place similar to that based in Hawaii - the Pacific Tsunami Warning Center.

At the 2005 Gleneagles Summit, the G8 gave special attention to the tsunami relief effort. Having taken place just six months prior to the summit, and still needing much humanitarian aid, the G8 prioritized the tsunami relief effort. At the end of the summit the Chair released a statement emphasizing the G8’s “support for UN work on post-tsunami humanitarian aid and reconstruction,” and committed to “reduce the risk [of] future disasters and to encourage reform of the humanitarian system.”127 Throughout the past year, the G8 member states has fully complied with their commitment, and will most likely continue their efforts to support endeavors that monitor Tsunamis.128

In January 2005 the United Nations held a conference in Kobe, Japan to set in motion the founding of an Indian Ocean Tsunami Warning Program which will come into affect in June 2006 once UNESCO gives its full support to the organization.129 This system, however, is very complex and requires substantial coordination between governments to develop methods to inform citizens susceptible to risk in an event of a tsunami.130

As one of their many priorities for aid, the G8 member states will continue to support efforts that monitor and prevent casualties from tsunamis. All the member states have committed resources to help in the past year, and will continue to do so at the 2006 summit in St. Petersburg.

Adam Sheikh
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Education

Education has been an issue of long standing with the Group of Eight (G8), first introduced during the then Group of Seven’s 1977 London Summit. At this early point in the concert’s development, promotion of education was synonymous with the promotion of “the training of young people in order to build a skilled and flexible labor force”. After 1984, when the G7’s focus shifted to the foundations for economic growth and social advance, education received progressively more attention at subsequent summits. The 2000 Okinawa Summit marked the centrality of education on the G7/8 agenda at the beginning of the twenty-first century, with G8 priority education directions outlined at Okinawa and four subsequent summits: Kananaskis (2002), Evian (2003), Sea Island (2004), and Gleneagles (2005). At Gleneagles, the G8 agreed on a comprehensive package designed to help African states meet the Millenium Development Goals (MDGs), including a commitment to good quality, free and compulsory education for all children by 2015. The Russian Federation has chosen education as one of three themes of this year’s summit in St. Petersburg, citing a duty to “give a fresh impetus to efforts to find solutions to key international problems”, and opining that “the time has come to focus on ways of improving the quality and effectiveness of national education systems and professional training.” The choice of education as a theme for the 2006 St. Petersburg Summit can properly be seen as a consolidation of past efforts, offering a forum for the advancement of new proposals based on a re-evaluation of prior commitments.

The G8 Ministerial Meeting on Education, from 1-2 June 2006, saw the Ministers of Education of all G8 members, as well as representatives from Brazil, China, India, Kazakhstan, Mexico, South Africa, the OECD, UNESCO and the World Bank, meet in

Moscow to “confirm their commitment to cooperation in education at all levels”. The final communiqué reads as a collection of renewed commitments and new initiatives.

**Objective 1: Social, Cultural and Professional Adaptation of Migrants Via Education**

Russia wishes to implement international programs of academic exchanges as part of what it calls the “internationalization” of education via cross-border education delivery. This initiative springs from a migration related educational vulnerability shared across the G8. In addition to academic exchange programs analogous to the Fulbright and Commonwealth Scholarship programs, the G8 leaders will pursue a program for the improvement of mutual understanding of foreign credentials. Education is rightly viewed as a measure of the social, cultural, and professional adaptation of migrants essential for a steady economic growth of both industrialized and developing nations. Immigration has been a flashpoint across the G8 in the past year, whether one considers the recent demonstrations by Hispanic communities in the United States or the rioting in France and other European countries. Canadian Prime Minister Stephen Harper would view a program for harmonized foreign qualifications as an opportunity to extend the support of his Conservative Party in immigrant communities ahead of the next federal election. The urgency is perhaps greater for beleaguered French President Jacques Chirac, who will see the same program as a step toward re-constructing social cohesion.

**Objective 2: Pursuit of the Millennium Development Goals**

The groundwork laid at the education ministerial of 2 June included a statement of support for achieving the Millennium Development Goals (MDGs) of universal primary completion and gender equality at all levels of education. Specifically, G8 leaders will
help countries achieve the goals of Education for All (EFA)\textsuperscript{143} and support UNESCO’s leadership in coordinating action to achieve EFA goals and develop sustainable capacity in EFA Fast-Track Initiative (FTI)-endorsed countries, a pledge made at the 2005 Gleneagles Summit. Russian proposals will focus on upgrading the quality of basic education and creating mechanisms for assessing the quality of basic education in the developing nations in the EFA framework.\textsuperscript{144} British Prime Minister Tony Blair, having recently spoken out on the need to deliver on pledges to Africa,\textsuperscript{145} and US President George W. Bush, a former governor of a border state with a deep interest in education,\textsuperscript{146} will serve as formidable allies to Russian President Vladimir Putin as he steers the agenda forward.

**Objective 3: Information and Communications Technologies**

The ministers present at the education ministerial reaffirmed their commitments to promote the more effective use of information and communications technologies (ICTs) in education,\textsuperscript{147} as outlined in the G8 Okinawa Communiqué on the Global Information Society.\textsuperscript{148} This statement reflects UNESCO’s drive for innovation in education.\textsuperscript{149} As an initial step, G8 leaders will call for increased vocational training and distance learning with Internet use as a way of promoting education around the world.\textsuperscript{150} This final objective will not receive the same level of consideration as the other core education issues due to a lack of enthusiasm demonstrated by national officials.

**Conclusion**

Success on the issue of education will be achieved only if it receives the same emphasis as energy and health, the other chosen themes of the St. Petersburg Summit.\textsuperscript{151}


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Obviously, this condition can be met only if other issues, such as the Iranian nuclear file, are not permitted to dominate the agenda. Efforts will be made to maintain a lean summit agenda, with a Foreign Ministers’ Meeting scheduled for 29 June in Moscow to discuss pressing international conflicts and crises. Coupled with the Kremlin’s determination to treat education, infectious disease, and energy security equally, these pre-emptive discussions bode well for progress on the education file.

It is inconceivable that the Russian Federation, hosting its first-ever G8 Summit, will not devote tremendous political and economic resources to ensuring that all items on the agenda are successfully dispatched; given the overwhelming consensus displayed by all government representatives at the 1-2 June education ministerial, there are grounds for optimism that new commitments and renewed support for previous initiatives will be forthcoming.

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International Economy

Financial Imbalance

Macroeconomic issues lay at the very heart of the association that is known today as the G8. In fact, the original premise of the G6 was for the leaders of these countries to come together and informally and privately discuss and address issues arising from the demise of the Bretton Woods system and the oil crisis of the 1970s.

In the 1990s, the G8 membership again faced a number of challenges related to poor economic performance and currency issues. These notably included the European Monetary System Crisis, the Mexican Peso Crisis, and the Asian Crisis. Each of these in turn rippled through the global economy affecting performance within the G8 and throughout the global economy. In response the G8 pledged at the Koln summit in 1999 to “promote financial stability through national action as well as through enhanced international cooperation... [requiring all countries to assume] their responsibility for global stability by pursuing sound macroeconomic and sustainable exchange rate policies”\textsuperscript{154} This commitment is consistent with the objectives of the \textit{Louvre Accord} of 1987, wherein Ministers recognized that significant trade and current account imbalances “pose serious economic and political risks” to the G8 and the world, pledging to improve coordination efforts to promote balanced economic growth and restore “viable balance of payments positions”\textsuperscript{155}

Although the dynamics of the global economy have shifted considerably in recent years these same issues remain central to the economic agendas of the members of the G8. High oil prices, flat growth and massive trade deficits, and currency valuation issues underpin many of the challenges facing G8 countries. This was well expressed by the Canadian Minister of Finance, Jim Flaherty, when he explained “weak growth in Japan and the Euro area, and a lack of currency flexibility in emerging Asian economies have all led to large current account imbalances.”\textsuperscript{156} Minister Flaherty further noted that these “imbalances are a problem for all players in the global economy, and all countries have a part to play in resolving them and building greater global economic and financial stability.”\textsuperscript{157}

With the issue of energy security the primary agenda item on the St Petersburg agenda, financial imbalances, will necessarily be implicated during these discussions and

\textsuperscript{155} Statement of the G6 Finance Ministers and Central Bank Governors (Louvre Accord) Canada, France, Germany, Japan, United Kingdom, United States Paris, France, February 22, 1987 http://www.g7.utoronto.ca/finance/fm870222.htm
negotiations. The Chinese economy continues to perform well, and many argue this has been aided by the artificial value of the Yuan. The robust Chinese economy and the state’s massive holdings of US dollars, coupled with high oil and gas prices has been a boon for the Russian economy as well. These issues are highly dense and intensely political. For, in contrast to infectious diseases, for example, resolutions on these issues will require expensive compromises for the parties involved. This issue might be the elephant in the room during the energy talks, particularly with Chinese officials participating in the energy talks at the invitation of the Russian hosts.

**Objective 1: Currency Reform, Balance of Payment and Trade Deficits**

The issue of currency reform, considered by many to be the root of a host of other macroeconomic issues and challenges facing the G8 members, is central to the objectives of European and American foreign economic policy.

China, with an economy that continues to grow at a rate of approximately 10 percent per annum and a 2005 global trading surplus exceeded US$100 billion, is the third largest trading state in the world. In 2005, the United States took about 23% of China's exports and ran a trade deficit with China of US$201.6 billion. Official US statements describe this deficit as “a source of friction” between the countries. The low value of the Yuan, which remains pegged at approximately 8 Yuan/US dollar, has made China an attractive processing and finishing location for goods from a variety of Asian countries. The US deficit with China, therefore, reflects an even deeper deficit position with the entire region. Under these circumstances the value of the Yuan has become a significant issue, as China now holds the largest foreign exchange reserves, including vast reserves of US dollars and Euros, of any country in the world.

Russian President Putin recently called for full ruble convertability by 1 July 2006, a full year ahead of a projected deadline. Putin, moreover, seeks to have oil and gas traded on a domestic exchange in rubles. These moves will put pressure on China to demonstrate a commitment to deeper flexibility on the value of the Yuan, and may create further pressures on the American dollar.

164 ibid
Although China has made modest fiscal policy reforms in the last year, US President Bush has continued to raise the issue with Chinese officials at every opportunity, demonstrating the President’s desire for more significant progress on this issue. The US and the EU are also eager for China to continue to reform to meet its WTO commitments. These reforms, it is argued, would open the country up to investment and trade in foreign goods that might help ease the trade imbalance and the deepening currency crisis.

**Objective 2: Structural Adjustments and Macro Reform**

Economic performance within the G8 continues to be uneven, and the economies of the EU and Japan remain mired in positions of low growth heading into St Petersburg. Each continues to face structural issues that inhibit economic performance and growth. Although the commitment of officials from both the EU and its G8 member states to the *Lisbon Agenda*, a broad and comprehensive policy package designed to make the EU "the most competitive and dynamic knowledge-based economy in the world," appears to remain strong, particularly toward issues of labor reform and investment regulations, significant progress has yet to be realized.

The Japanese economy also continues to under-perform, and deregulation and trade liberalization remain key issues. Moreover, although there are indications of a modest economic recovery, the Japanese government’s fiscal position continues to weaken due in part to poor tax revenue growth within its under-productive economy which has yet to exit deflation.

**Conclusion**

In September 2005 officials recognized the dangers of these imbalances and the need for reform, deploying strong language in the official communiqué following the meetings. They explained that the “challenge of addressing global imbalances over the medium term is a shared responsibility of the international community.” They further noted that “vigorous action is needed to address global imbalances and foster growth; further fiscal consolidation in the United States; further structural reforms in Europe; and further structural reforms, including fiscal consolidation, in Japan.”

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Then in December 2005 ministers again chose provocative language to describe these challenges. They explained that the risks to global economic health “include rising protectionist sentiment, the possibility of increasing inflationary pressures and growing global imbalances, which have been exacerbated by high oil prices.” Noting that “more vigorous, mutually reinforcing action is now needed from the G7 and other countries to accelerate this process in a way that maximises sustained growth.”

Yet despite the lack of progress on structural reforms and the persistence of high oil prices, officials demonstrated reluctance to produce equally strong language with the first economic communiqué of the Russian presidency released in April. In this they reaffirmed “that exchange rates should reflect economic fundamentals. Excess volatility and disorderly movements in exchange rates are undesirable for economic growth.”

The communiqué further notes that “greater exchange rate flexibility is desirable in emerging economies with large current account surpluses, especially China, for necessary adjustments to occur.”

Finally, the communiqué released following the June ministerial explains that “volatile energy prices and widening global energy prices” remain an issue of concern. Ministers also confirmed their commitment to “address global imbalances”, while agreeing that “responsible and effective management of public finances is of fundamental importance for achieving macroeconomic stability and sustainable growth”.

It appears, therefore, that only incremental progress can be expected from the St Petersburg summit on this issue. There will likely be further confirmations and commitments in principle to structural reform and the principles of the Doha round of WTO negotiations, but these will not be met by strong pronouncements on the issue of currency reform. St Petersburg thus has the potential to be a watershed moment. The modern dynamics of the energy economy and the declining economic might of the western states relative to the emerging economies of China, India, and Russia make the circumstances unique and the stakes high. Without accommodations and progress on currency issues, the global economy will continue to tilt in favor of the emerging economies and the net energy exporting states.

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Trade

The issue of trade has been regularly discussed at G8 summits. For instance, the 2001 Genoa Summit Communiqué, the G8 called for the launch of the ambitious new round of multilateral trade negotiations.\(^{177}\) G8 leaders also supported the new round in individual statements. The Fourth WTO Ministerial Conference took place in Doha, Qatar in November 2001 and established the Doha Development Agenda. The Doha Conference also adopted the Declaration on the TRIPS agreement and public health.\(^{178}\) It reaffirmed the flexibility of the Trade-Related Aspects of Intellectual Property Rights (TRIPs) Agreement member states in circumventing intellectual property rights for better access to essential medicines.

Objective 1: Doha Round Progress (Agricultural Access and Subsidies; Services)

The Doha Round of WTO talks was supposed to end in 2004\(^{179}\) but continues because of the failure to reach an agreement at the 2003 Cancun Ministerial.\(^{180}\) Disagreements between developing and developed countries centered around the issues of agricultural subsidies and market access, and led to the creation of the G20 bloc of developing countries. Talks held in Geneva in August 2004 led to the adoption of a framework agreement that would see the United States, the European Union, Japan, and Brazil reduce export subsidies, agricultural subsidies, and tariff barriers. Developing countries, in turn, agreed to reduce tariffs on manufactured goods, while protecting some key industries.\(^{181}\)

In the 2005 Gleneagles Summit, G8 countries confirmed their commitment to:
- open markets more widely to trade in agricultural goods and industrial goods and services
- reduce trade-distorting domestic subsidies in agriculture
- eliminate all forms of export subsidies by a credible end date

This commitment was reaffirmed in the Chair’s Summary\(^ {182}\) and a separate statement\(^ {183}\) at the Gleneagles Summit. However, the Hong Kong Ministerial in December 2005 failed to produce significant results. A failure was caused mostly by the deadlock between the

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U.S. and EU.\textsuperscript{184} The Conference set a deadline for elimination of agricultural exports subsidies by 2013, twelve years from the start of the Doha Development Round. One of the pressing factors in implementation of the Doha Round by early 2007 is the expiration of the U.S. president's trade negotiating authority.\textsuperscript{185}

Since Russia is not yet a member of WTO, the Doha Round will not likely be on top of the St. Petersburg Summit agenda. The G7 countries are, however, expected to discuss this topic. In the 21 April 2006 statement of G7 Finance Ministers and Central Bank Governors in Washington D.C. the parties confirmed their commitment to work together to remove distortions to the global adjustment process, resist protectionism and promote liberalization of trade and investment including an ambitious outcome from the Doha Development Round.\textsuperscript{186}

The main obstacles in reaching an agreement at the St. Petersburg Summit 2006 are the looming mid-term elections in the United States and the 2007 presidential election in France. At issue are agricultural subsidies, a highly politicized issue in both countries. As a result, any deal that might be perceived as a unilateral concession on this topic would be unpopular. Together with the general lack of consensus on this issue among G7 members, any major breakthrough at the 2006 summit is unlikely. The participants are expected to make a statement confirming their determination to reach the 2013 deadline set in Hong Kong.

**Objective 2: Intellectual Property**

The importance of intellectual property rights (IPR) became a component of the global trade agenda during the Uruguay Round of the GATT in 1986, culminating in the Trade-Related Aspects of Intellectual Property Rights (TRIPs) Agreement of 1995.\textsuperscript{187}

For the last few years, every G8 Summit recognized the growing need for strong measures to establish intellectual property rights. Yet, the intellectual property rights agenda of G7 countries (Russia is not yet a member of WTO) is often criticized by developing countries, academics and NGOs for concentrating on enforcement of IPR laws at the expense of consumers, especially in terms of access to cheap medicine.\textsuperscript{188}

In the 2005 Gleneagles Summit Statement, the participants announced steps to deepen the IPR law enforcement efforts at home and abroad with the aims of substantially reducing global trade in pirated and counterfeit goods, and efficiently combating the transnational

networks that support it. \textsuperscript{189} On 9 March 2006, the Russian Sherpa Igor Shuvalov suggested that protection of intellectual property rights will go hand in hand with the three summit priorities. \textsuperscript{190} On 30 March 2006, the second meeting of the G8 Expert Group focusing on action against IP piracy and counterfeiting was held in Moscow. \textsuperscript{191} On 1-2 June 2006, the G8 Ministers of Education met in Moscow to discuss cooperation in education. They confirmed their support of legal, regulatory and policy frameworks fostering supportive and consistent policies which offer strong protection of intellectual property rights. \textsuperscript{192}

In light of the strong support of tougher intellectual property rights protection and anti-piracy enforcement laws in U.S. and other G7 members, as well as recent Russian steps in promotion of this initiatives, it is likely that the participants will make a statement that will reaffirm their commitment to protect the IPR and outline steps to further enforce the laws pertaining to this issue.

**Objective 3: Russian Accession to the World Trade Organization**

Russia has been pursuing membership in the WTO since 1994, and in February 2006 Vladimir Putin expressed the hope that Russian WTO accession would create better conditions for the development of trade and economic ties. \textsuperscript{193} After securing Australia’s agreement, Russia’s accession depends on the United States. There are several issues that have to be resolved before Russia can join, including differences over farm trade barriers and import duties on airplanes, cars and other products. The most contentious one is Moscow’s opposition to having foreign banks open direct subsidiaries in Russia. \textsuperscript{194}

Signals coming from the U.S. politicians show that talks with the United States are almost finished. For instance, in February 2006 the U.S. Treasury Secretary John Snow could not give a time frame for signing the deal. Yet, in June 2006 he suggested that

Russia might enter WTO before the July summit. \textsuperscript{195} If that does not happen, it is certain that Putin will use the opportunity to discuss the matter with Bush during bilateral talks in St. Petersburg.

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Reforming the Bretton Woods Institutional System

The Bretton Woods institutions (BWIs): the International Monetary Fund (IMF) and the World Bank lie at the heart of global economic finance and economic stability. In recent years the international community has grown critical of the BWIs’ effectiveness in the current geopolitical landscape. There are increasing calls for reform that are seen as necessary to maintain the relevance and efficiency of the IMF and the World Bank. The Group of Twenty Forum (G20) of finance ministers work within the Bretton Woods framework and are heavily involved with proposals for reform. However, this topic is not on the main agenda for the 2006 G8 summit.

Objective 1: International Monetary Fund

A meeting of the Finance Ministers and Central Bank Governors in October 2005 reaffirmed the role of the IMF and the World Bank. The IMF is to focus on national and international macroeconomic stability, as well as strengthening monetary crisis prevention and resolution. The World Bank is to focus on development and assistance to least developed and developing economies. Over the years the IMF has cast a wide net, responding to the oil crises of the 1970s; the debt crisis of the 1980s; and the emerging-market crises of the 1990s. One problematic aspect recognized by the IMF itself is its attempt to address too many issues without clear priorities, or a specific goal. The balance of power within the IMF has also come under fire. It is critiqued for maintaining the balance of the old world order, more specifically for failing to adapt to the weight of emerging Asian markets. A medium-term strategy published by the IMF 15 September 2005 recognized these shortcomings. Five tasks were outlined as the necessary response for the global conditions of the 21st century: make surveillance more effective, adapt to new challenges and needs in different member countries, help build institutions and capacity, prioritize and recognize IMF work within a prudent medium-term budget, and

address the governance issue of fair quotas and voice representation in the Fund. On 5 April, 2006 the Managing Director’s Report came out on implementing those strategies. The priorities outlined included: greater surveillance to tackle global imbalances, enhanced surveillance over financial markets in emerging market economies, greater focus on low-income countries- including debt relief with emphasis on the millennium goals, as well as progress on quota distribution to be achieved by Singapore meeting in September 2006. A multilateral consultation procedure was proposed to allow all relevant actors to address issues. With this report the IMF hopes to move beyond debate to implementation.

**Objective 2: World Bank**

The World Bank is focused on financial and technical assistance to the developing world. It consists of the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). The IBRD focuses on middle income countries, while the IDA focuses on the poorest countries. The Bank has been criticized for taking on challenges that lie beyond “any institution’s operational capabilities.” It is also blamed for its lack of transparency, and like the IMF, for an imbalance in representation. The developing world is highly underrepresented in an institution focused on delivering its problems. Effective World Bank reform can only occur parallel to IMF reform under the umbrella of the Bretton Woods institutional reform, as addressed by the G20.

**Conclusion**

Despite their intended use of BWI’s for development, the issue of institutional reform is not a pressing one for the 2006 summit. IMF and World Bank reform did not make it on to the list of topics for the June 2006 Finance Ministers meeting, and will likely generate little attention for the G8 itself. Russia has called the World Bank “one of the leading world donors in terms of supporting development efforts.” It intends to

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206 Professor Antoinette Handley, Lecture: University of Toronto, 14 February 2006.
contribute $3 mln to the Bank’s bird flu program. Putin has stated that the elimination of poverty is always on the G8 agenda. Nevertheless, reform of BWIs, which are at the centre of global aid and development are being evaded at the summit. In order for any success to be reached, the G8 leaders must begin acknowledging the problem in their formal discussions.

Christina Jabbour
G8 Research Group

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Official Development Assistance

One year after the G8 leaders agreed to cancel the debts owed by 40 of the world’s poorest countries to the World Bank, IMF, and African Development Fund, the issues of international aid and global development remain high on the list of priorities at the 2006 St. Petersburg Summit. Though global energy security, education, and infectious disease have been listed as the Russian Presidency’s top three priorities, the recent meeting of foreign ministers revealed intent to visit the ongoing issues of aid and development in St. Petersburg. The Pre-Summit Statement issued by the foreign ministers on June 10 stated, “We underline that global economic adjustment is a shared responsibility and re-iterate our commitment to address global imbalances.” Specifically, the G8 leaders are likely to discuss progress made in reaching set goals regarding the Doha Development Agenda and Millennium Development Goals. The discussion will also likely include the progress of the developing states which received debt relief under the HIPC Initiative, along with the role of new donor countries.

Objective 1: Doha Development Agenda

The Doha Declaration is a mandate from the Fourth WTO Ministerial Conference for negotiations on a range of subjects aiming to promote and bring about the liberalization of trade in agricultural goods and services to developing nations. At the December 2005 Ministerial Conference in Hong Kong, the intentions behind the failing declarations from Doha were reaffirmed and commitments were re-established to make the objectives a reality. Currently, there is little forward movement. As developing nations ask for deeper cuts for import tariffs on agricultural products for poorer countries, leading economies like the US and the EU are responding by demanding greater market access for industrial goods. Thus far, the two camps have been unable to reach a compromise. The G20 group, an alliance of Finance Ministers and Central Bank Governors which coordinates industrialized and developing economies in the discussion of key issues in the global economy, asked for protection on 20% of the poorest nations’ farm goods. The United States responded with an offer of less than 1% protection.

In order to actively reenergize the Doha development round and seek what the G8 Finance Ministers called “urgent progress for its achievement,” it is likely that the G8 will push for an agreement among the leading economies to ease official subsidies on agriculture and reduce import tariffs on farm products from the poorest countries in order to allow their economies to participate in and benefit from general economic liberalization. Forward movement on the Doha Agenda will signify a more concrete and tangible approach to the reduction of poverty in the developing world, as it will enable

developing countries and more specifically the recipients of the HIPC initiative, to engage in a more leveled trading and commercial environment.

**Objective 2: Millennium Development Goals**

The 2015 deadline for the Millennium Development Goals is rapidly approaching and the St. Petersburg G8 Summit has been called by some a “make-or-break” year for reaching its goals. If an aggressive and attainable agenda is not set forth within the next year, it is unlikely that the structures needed to fulfill the goals will be implemented in time to achieve them. The Gleneagles Summit resulted in a commitment from the G8 countries to double aid to Africa and to eliminate the outstanding debts of the poorest nations. The HIPC Initiative eliminated the debts and the G8 promised by 2010 to increase aid to developing nations by $50 billion a year, half of which will go to Africa. The all-encompassing goal, however, is the commitment of 0.7% of rich-countries’ GNI to ODA. While some nations have fulfilled this commitment, many are far behind; namely the United States. Washington has committed to the target but not made significant forward movement. In 2005, the US allocated 0.22% GNI to ODA, only a minuscule increase from the 0.17% in 2004. Currently, the United States, Canada, and Japan, have set no timetables in achieving the 0.7% target. The Finance Ministers expressed the importance of the Millennium Goals to the G8, making it possible that G8 nations will be asked to set a definitive timetable for delivering commitments to the 0.7% target. In May 2005, all original EU-15 nations committed to reaching 0.51% by 2010. This timetable could serve as a useful model at the Summit.

In response to the goal of “developing a global partnership for development,” Russia has already proposed to organize an international conference in Moscow on financial education for developing countries. Through financial literacy, Moscow seeks to educate on the practices of fair and competitive financial environments. This would give developing economies the potential to increase economic efficiency and innovation, enabling them to develop and grow. If addressed at the Summit, it is likely the G8 will ask for monetary commitments to support this initiative as well as increased transparency in the governmental financial sector.

**Objective 3: Evaluation of HIPC Initiative**

At the 2005 G8 Finance Ministers meeting, the debts of the world’s 40 poorest countries were canceled in order to allow room for economic and social development. While many

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216 The 0.7% Target, UN Millennium Project. Accessed 17 June 2006. www.unmillenniumproject.org/involved/action07.htm
have benefited from the cancellations, the 2006 G8 will have to focus on debt sustainability. The beneficiaries were taken out of debt without the economic institutions to keep them out. It is also likely that a proposal will be discussed to broaden the initiative to include the remaining of the highly indebted countries, particularly the CIS states. The Gleneagles Summit focused mainly on developmental aid to Africa. It is likely that the Russian presidency will use its position as the conference host as an opportunity to request developmental aid to CIS states. Newly independent states such as Uzbekistan, Kyrgyzstan, Moldova, and Georgia are highly indebted; and home to political instability and high levels of poverty. Successful use of aid in the CIS states would benefit the worldwide economy and international security by increasing the stability of the now volatile, energy rich region.

Discussion of the HIPC initiative might also center on rich countries doubling debt cancellation as ODA. Oxfam, and many other NGOs have strongly criticized this practice, and G8 countries in particular, for giving far less than they committed to. According to Oxfam, on average, G8 members give $90 per person per year, compared to $300 in the Netherlands. The topic of doubling debt cancellation as aid was also addressed at the Civil G8 Forum in Moscow. This kind of pressure will force the G8 to clarify and reinforce the commitments made in 2005 regarding distribution of ODA.

Conclusion

While the aforementioned issues regarding international aid and development were not specifically named among the priorities of the Russian presidency, they will undoubtedly be discussed throughout the Summit alongside discussions on trade, education, health and international security. The eradication of poverty was the headlining issue of the Gleneagles Summit, and today the G8 must face the reality that debt cancellations are not a form of sustainable development. Liberalization of trade and free market will likely be discussed alongside economic growth and trade issues. However, the specific issues of reducing subsidies and tariffs are likely to be buried by discussions on oil production and prices and energy security. While progress of the 2005 HIPC commitments will likely be evaluated, the most potential for concrete action is in regard to aid to the CIS States. Last year, Tony Blair’s dedication to the highly ambitious African agenda made the debt cancellations and increased aid possible. Though he acknowledges progress while maintaining that much more needs to be done, Blair hasn’t made the push for Africa that he did at Gleneagles. In meetings with Blair prior to last year’s summit, Putin welcomed Blair’s proposal’s to write off the debts of the 18 African nations, while stressing that his

major concern was the development of the CIS states. As president of the G8 this year, Putin will be given the opportunity to turn the focus of the G8 nations to the CIS states.

However, in the end, it is probable that issues of aid and development will, in general, be overshadowed by the overriding concerns surrounding the issue of global energy security.

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Non-Proliferation

Countering the proliferation of the materials and knowledge required to produce weapons of mass destruction (WMD) is not a new subject for the member states of the G8. In 2002 at the Kananaskis, Alberta summit the G8 launched the Global Partnership, a program designed specifically to address these threats.

The Global Partnership is a multilateral agreement whose members (the states of the G8 as well as select non-G8 partners) work with Russia and other states in the former Soviet Union to: secure and/or destroy existing WMD stockpiles; dismantle aging nuclear submarines; secure and/or dispose of fissile materials; and to redirect/re-train former weapons scientists, so as to prevent their knowledge from falling into the wrong hands.222 The Program’s overarching aim is to prevent the knowledge or materials needed to make WMD from falling into the hands of rogue states or terrorists. In 2002, at the Global Partnership’s inception, the states of the G8 pledged to commit $20 billion to the program over ten years.

At the 2003 G8 summit in Evian, France, the states of the G8 “recognized the proliferation of weapons of mass destruction and their delivery systems, together with international terrorism, as the pre-eminent threat to international peace and security.”223 To counter this threat, they announced a series of “Evian Action Goals” which both reaffirmed their commitment to the Global Partnership and expanded the its’ scope to encompass new projects and new members, specifically “interested non-G8 donor countries that are willing to adopt the Kananaskis documents.”224 By the time of the 2004 G8 summit, held at Sea Island, Georgia, 13 additional, non-G8, states had joined the Global Partnership.225

At the 2004 summit the G8 launched the “Sea Island Action Plan on Nonproliferation.” With this plan, the members of the G8 sought to “prevent, contain, and roll back proliferation” by strengthening “the global nonproliferation regime.”226 In this action plan, the member states of the G8 announced they would “recommit […] to raising up to $20 billion for the Global Partnership through 2012”227 Also, among other measures, the G8 sought to increase the effectiveness of the International Atomic Energy Agency (IAEA) and announced it would continue to build effective partnerships under the existing Proliferation Security Initiative (PSI) to interdict the illicit trafficking of

Finally, at the 2004 summit, the G8 reaffirmed its commitment to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and noted its concern that the DPRK and Iran were not in compliance with said treaty.\textsuperscript{229}

At the 2005 G8 summit, held at Gleneagles, Scotland, the G8 restated its belief that “the proliferation of weapons of mass destruction (WMD) and their delivery means, together with international terrorism, remain the pre-eminent threats to international peace and security.”\textsuperscript{230} Furthermore, the G8 announced, “the threat of the use of WMD by terrorists calls for redoubled efforts” to counter their spread.\textsuperscript{231} At the 2005 Summit, the G8 also reaffirmed its’ commitment to the Global Partnership, the PSI, the NPT, and the IAEA.\textsuperscript{232} The G8 also continued to express concern over the WMD programs of Iran and the DPRK.\textsuperscript{233}

Objectives

Russia, which holds the G8 Presidency for 2006, has set the primary objectives of the St. Petersburg Summit as energy security, combating infectious diseases, and education.\textsuperscript{234} However, as Russian President Vladimir Putin has written, “along with [these] three priorities […] the G8 will continue in 2006 its work on such key issues as the fight against […] the proliferation of weapons of mass destruction.”\textsuperscript{235} On 2 June 2006, Putin further stated that “With free debates on at the G8 summit, we shall necessarily dwell on the problems of mass destruction weapons nonproliferation.”\textsuperscript{236} While not in the spotlight, continuing the G8’s efforts to combat the proliferation of WMD will be on the agenda for the St. Petersburg Summit.

Objective 1: Reaffirming a Commitment to Non-Proliferation

At the St. Petersburg Summit, the member states of the G8 will likely seek to reaffirm their commitment to existing non-proliferation institutions such as the Global Partnership, the PSI, the IAEA, and the NPT. This is likely to be the case as, for the past

several years, the G8 has placed significant stock in these bodies. When addressing the question of WMD programs developed by so-called rogue states, the IAEA and the NPT will be of central importance (see below).

Objective 2: Reaching Agreement over Iran

Iran’s nuclear program is also likely (though not certain) to be discussed at the summit. In an interview with the Russian press, conducted in early February 2006, Anatoly Antonov, the Director of the Russian Foreign Ministry's Security and Disarmament Department, said that at the St. Petersburg summit the G8 “will work with the International Atomic Energy Agency (IAEA) in order to find such a mutually acceptable solution on Iran that would, on the one hand, allow Teheran to develop nuclear energy, and on the other hand, would ensure that its nuclear program pursues solely peaceful purposes.”

How exactly the G8 will deal with Iran is not yet clear. Andrei Kondakov, Russia's foreign policy Sous-Sherpa for the G8, said on 15 June 2006 that, “Iran is likely to be discussed [at the summit] but details will be clear after the G8 foreign ministers meet in Moscow in late June.” According to Russian Foreign Minister Sergey Lavrov, both Iran’s nuclear program and strategies to deny terrorists access to nuclear materials will be on the agenda at the Foreign Ministers meeting. The Foreign Ministers will meet on 29 June.

It should be noted that the above statements concerning Iran’s nuclear program as a subject for discussion at the St. Petersburg summit are contradictory to one made, in mid May, by Igor Shuvalov, chairman of the interdepartmental commission for Russia's participation in the G8. On 17 May, Mr. Shuvalov stated that Iran’s nuclear program would be discussed only at the Foreign Minister’s conference, not at the leaders’ summit.

Should Iran become a subject for discussion, the G8 will likely seek to release a unified, substantive statement concerning Tehran’s nuclear program.

Objective 3: Reaching Agreement over North Korea

North Korea’s nuclear program will also likely be discussed at the summit. According to Mr. Antonov, “Addressing the situation surrounding the Iranian and North Korean nuclear programs remains on the G8 agenda. We will continue the search for common mechanisms of dealing with these issues by political and diplomatic methods…

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resolution of the Korean nuclear problem will require North Korea's return to the NPT, the resumption of IAEA inspections in the country, an end to the international isolation of North Korea, and large-scale economic assistance to this country. The six-sided talks (involving China, the US, Russia, Japan, and the two Koreas) provide an effective mechanism for finding such a solution.\textsuperscript{241} The G8 will probably continue to attempt to contain the DPRK’s nuclear program through the existing mechanisms of the six party talks, the IAEA, and the NPT. The G8 will also most likely seek to release a statement at the summit affirming these initiatives.

**Conclusion**

The discussions surrounding WMD nonproliferation, an issue the G8 has repeatedly identified as the most pressing security threat in the world today, will be an important part of the 2006 Summit.

At the Summit the G8 will almost certainly be successful in releasing a statement reaffirming the importance of the Global Partnership. Every year since the 2002 Kananaskis Summit the G8 has reaffirmed its commitment to the Global Partnership; there is no reason it will not follow suit at St. Petersburg. North Korea’s nuclear program will most likely also be identified as a threat, and the importance of existing diplomatic mechanisms to resolve that conflict, including the DPRK’s return to the NPT, highlighted.

There may be some disagreement over what steps to take in dealing with Iran’s nuclear program, and this could have the effect of leading to an impasse at the summit over how best to respond to Tehran. On 14 July, immediately before the St. Petersburg summit, U.S. President George Bush will visit Russia for a bilateral meeting with Vladimir Putin.\textsuperscript{242} Iran, along with energy security, will likely be one of the main issues discussed at this meeting.\textsuperscript{243} Should the two leaders manage to agree on how exactly to deal with the Iranian nuclear issue, the G8 will be more likely to come to an agreement. However, given the different stances of the two countries on how best to deal with Iran, agreement seems a doubtful prospect. This diminishes the possibility of the release of any substantive statement concerning Iran’s nuclear program.

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\textsuperscript{242} Importance of Bush-Putin Meeting in Runup to G8 Summit Stressed - "So Help Us Bush"

\textsuperscript{243} Importance of Bush-Putin Meeting in Runup to G8 Summit Stressed - "So Help Us Bush"
Terrorism

Terrorism will continue to be a major focus of the G8 in St. Petersburg. The 2005 Gleneagles Summit coincided with the London terrorist bombings on 7 July 2005.

In the joint statement on terrorism issued at Gleneagles, G8 leaders committed to “improve the sharing of information on the movement of terrorists across international borders, to assess and address the threat to transportation infrastructure…to promote the best practices for rail and metro security…[and to] work with partners in the UN and in other key international and regional fora”.

The leaders further stressed the importance of information sharing between domestic and international bodies, improving efforts to dissuade membership in terrorist organizations, building international capacity to counter terrorism, and enhancing international partnerships.

Russian officials recently announced that anti-terror documents are expected to be adopted at St. Petersburg and that Moscow will propose new ideas, including “a coordinating role for the UN” and a “call for the harmonization of anti-terrorism laws”.

Terrorism topped the agenda at the G8 Justice Ministers meeting in Moscow on 15/16 June. The ministers pledged to increase international cooperation and said that more needed to be done by way of information sharing. They also discussed measures to prevent terrorist recruitment and specific tools to share information on stolen or falsified passports and to exchange data on plane and train passengers. The tone of the meeting was cooperative, with many officials stressing the G8’s united front. Terrorism was also discussed at the June 9/10 G8 Finance Ministers meeting. The meeting’s joint-statement reaffirmed members’ “resolve to fight money laundering and terrorism financing”, their commitment to strengthening systems for freezing assets and sharing information, and their determination to develop multilateral financial tools to disrupt criminal and illicit activities.

While G8 members stressed a united front at both the Justice and Finance Ministers meetings, there are differences, particularly over Chechnya. Moscow has repeatedly and strongly criticized London and Washington for granting asylum to Chechen separatists and refusing to extradite them to Russia. The issue could be of particular importance.

246 G8 partners plan to adopt anti-terrorist documents, ITAR-TASS World Service, (Moscow), 7 June 2006; Larisa Sayenko, Russia says it will propose new counter-terrorism measures to G8, RIA Novosty (Moscow), 30 March 2006.
247 G8 law, security chiefs vow stepped-up fight on terror, Toronto Star, (Toronto), 17 June 2006.
248 G8 law, security chiefs vow stepped-up fight on terror, Toronto Star, (Toronto), 17 June 2006.

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given the Chechen Prime Minister Ramzan Kadyrov’s claim that Chechnya’s rebel group is planning a “major attack” timed to coincide with the St. Petersburg Summit.\textsuperscript{251} It has also been reported that Moscow has requested a “moratorium” on “major military operations” by Chechen rebel groups during the Summit.\textsuperscript{252} However, the differences have been played down. At the Justice Ministers meeting, US Attorney General Alerto Gonzales asserted that the differences between members would not stop cooperation and that “there is a lot more that we agree on than that we disagree on.”\textsuperscript{253} Similarly, British Attorney General Lord Goldsmith noted that “there is a clear commitment from all G-8 countries to work together to fight terrorism.”\textsuperscript{254}

**Objective 1: Coordinating Role for the United Nations**

On 7 June 2006, Russian Foreign Minister Sergei Lavrov announced that he expected anti-terror documents to be adopted at the summit, with a particular focus, among other things, on the UN’s leading role in the fight against terrorism.\textsuperscript{255} The Russian Foreign ministry has not elaborated on precisely what aspect of the UN’s role will be on the agenda. The Gleneagles statement on terrorism renewed members’ commitment to “work with partners in the UN” to build the political will and capacity of other countries to counter terrorism and called on states to cooperate with the 12 UN counter-terrorism conventions and protocols.\textsuperscript{256} Given the lack of specifics about Moscow’s proposal, it is difficult to judge its chances of success.

**Objective 2: Information Sharing/Cooperation**

It is very likely that information sharing will be a major focus of the terrorism discussions at St. Petersburg. At the June 15/16 Justice Ministers meeting in Moscow, G8 members committed to improving international cooperation and said that more needed to be done by way of information sharing.\textsuperscript{257} The agreement reached at the meeting included

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255 G8 partners plan to adopt anti-terrorist documents, ITAR-TASS World Service (Moscow), 7 June 2006.


creating databases to help fight international crime, including terrorism, and to exchange information and analysis on suspicious cargoes and passengers when they cross borders.\textsuperscript{258} Russian Interior Minister Rashid Nurgaliyev reported that G8 members had agreed to work out a mechanism for the exchange of DNA information for use as evidence in investigating terror attacks and other crimes.\textsuperscript{259} Further refinement of the agreement can be expected at the Summit. Given the cooperative atmosphere of the Justice Ministers meeting and the early agreement, successful talks should be expected.

\textbf{Objective 3: Terrorist Recruitment}

Terrorist recruitment will likely surface during St. Petersburg’s terrorism discussions. At the June 15/16 Justice Ministers meeting, G8 members agreed to pool resources to prevent recruitment by terrorist organizations.\textsuperscript{260} British Attorney General Lord Goldsmith and Russian Interior Minister Rashid Nurgaliyev said that members discussed “practical measures” to deal with radicalization and terrorist recruitment, including the use of computers and the internet to promote terrorism.\textsuperscript{261} The use of the internet as a recruitment tool was especially stressed.\textsuperscript{262} Though no concrete proposals on the issue emerged from Gleneagles, the Summit’s statement on terrorism noted that members were “analysing why individuals have chosen the path of violence and how…terrorists use the internet to promote radicalization and pursue recruitment.” It is likely that the finer points of the agreements struck at the June Justice Ministers meeting will be elaborated at St. Petersburg. Also likely, given the G8’s past focus on, and success with, information sharing, is an information sharing agreement related specifically to terrorist recruitment.

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Regional Security

At this year’s G8 Summit, the most pressing threats to regional security include the developments in the Middle East, Iran, North Korea, Afghanistan, Sudan and in the Democratic Republic of Congo (DRC).

**Objective 1: The Middle East**

In its most recent form, begun in 2002 with the establishment of the Middle East “Quartet” consisting of Russia, the United States, the European Union (EU), and the United Nations, and headed by Mr. James Wolfensohn, the Quartet’s Special Envoy for Gaza Disengagement, the primary focus of the G8 concerning the Middle East since Gleneagles has been on developing and implementing “a comprehensive action plan for reform.”

Since Russia has assumed presidency of the G8, the political landscape of the Middle East has altered greatly. Mr Wolfensohn is no longer the Quartet’s Special Envoy for Gaza Disengagement, Hamas won a dramatic victory as the new head of the Palestinian Authority in January, and following Ariel Sharon’s sudden incapacitating stroke, Israel’s Prime Minister Ehud Olmert led the Kadima party to an election victory in March. Given these new developments and the G8’s previous commitment to Mr. Wolfensohn’s plan, the Middle East will not only be at the top of the G8 Foreign Ministers meeting on June 29, but will also figure heavily at the G8 Summit itself. The extent and scope of these developments since January will most likely prevent a large-scale agreement such as the one agreed upon at Gleneagles.

Russia has stated that it opposes an economic or diplomatic embargo of the Palestinian Authority, as such, progress will have to come outside of this. Where progress will be made instead, is in creating a new focus for action. Increasingly, consensus is emerging with a temporary solution to bypass Hamas by providing assistance directly to residents of Palestine. Most likely, this will take the form of a tying up and coordination of the current temporary solutions into a more coherent organized program designed to incorporate the new developments in Palestine while still embracing the principles of disengagement and reform outlined in Mr. Wolfensohn’s plan.

**Objective 2: Iran**

With Iran confirming that it has stepped up its nuclear activities, this year’s G8 Summit in St. Petersburg, like its predecessors in Gleneagles and Sea Island, will focus on Iran.

On June 9, 2006 the European Union presented Iran with a package of incentives to stop its program of enriching uranium. Austrian Chancellor Wolfgang Schuessel noted that Tehran has until the G8 Summit to decide on its course of action. The proposal, drawn up

by the UK, France, and Germany, is backed by the US, Russia and China (who will be present at this year’s Summit).264

Despite statements by Iranian Foreign Minister Manouchehr Mottaki on June 18, 2006 that recent developments had created “a positive atmosphere,” Iran further complicated the situation on June 23, 2006 with its decision not to address Europe’s proposal till after the G8 Summit, stating it would do so in late August.265

Tehran’s refusal to comply with the European ultimatum will alter greatly the approach taken at the Foreign Minsters’ meeting on June 29, 2006. Without an option to respond to Iran’s decision as had initially been expected the concern is the disagreement between Russia and the US, as well as other G8 members, over the use of sanctions. If negotiations reach an “extreme point” as stated by Russian presidential envoy Igor Shuvalov, then the G8 will most likely not move beyond agreement on how to proceed in disagreement, albeit in keeping with their commitments to call on Iran to negotiate long term arrangements for that provide objective guarantees that Iran’s nuclear programme is for exclusively peaceful purposes.

**Objective 3: North Korea**

As tensions mount with North Korea’s apparent increase in its nuclear testing, Japan’s suggestion for the G8 to discuss North Korea’s nuclear issue and its problem with abducting foreign nationals appears more and more likely.

With members of the G8 and the international community calling on North Korea to cancel any launch plans, Anatoly Antonov, Russia’s Director of the Foreign Ministry’s Security and Disarmament Department, has stated, “The solution of the North Korean nuclear problem entails the country’s re-accession to the NPT, the resumption of IAEA inspections, removal of the international cordon around North Korea, and broad economic assistance.”266

The course of action most likely to be taken will be an arrangement between the G8 countries and North Korea in which the G8 reaffirms its commitment to call on North Korea to resume its participation in the Six Party talks, possibly coupled with further incentives to do so.

Objective 4: Afghanistan

Building on the commitments made during the Gleneagles Summit, which were in turn a product of previous G8 Summits dating to the G8 Summit held in Kananaskis in 2002, President Putin stated that “stabilizing the situation in Afghanistan” would be one of the efforts on which this year’s G8 Summit would focus.

On going efforts and commitments by G8 members ranging from control of drug routes and international crime to terrorism and combating Al Qaeda forces and the Taliban, in addition to the G8 member countries commitments to the ISAF and UNAMA are among some of the issues that will likely be addressed.

The debates at this year’s Summit will in all likelihood produce a reaffirmation of these goals, or a commitment to further the G8’s assistance to help obtain peace, democracy, stability, and economic prosperity. A move to boost the relevant monies donated can also be expected.

Objective 5: Sudan

The G8 statement on Sudan at Gleneagles expressed a renewed commitment bring an end to the Darfur conflict and to support the work of the African Union Mission in Sudan (AMIS) and the United Nations Mission in Sudan (UNMIS). In June of 2006, the G8 called on the Sudanese government to disarm the 'Janjawid' as well as other armed groups responsible for the massive human rights violations in Darfur.267

With the reported outbreak of Cholera and the UN Security Council’s approval of sending 20,000 with air support before the end of December 2006, there is a new urgency to act. The developments, coupled with the Sudanese army’s slow (but encouraging) movement on June 24, 2006 to disarm the Janjawid and other tribal militias in accordance with the Abuja peace agreement) point towards a possible shift in progress in Sudan.

This year’s Summit in St. Petersburg will see a reaffirmation of the G8’s goal to bring an end to the Darfur conflict and to support the work of the African Union Mission in Sudan (AMIS) and the United Nations Mission in Sudan (UNMIS) along with an increase in the committed countries ability to meet their objectives.

Objective 6: Democratic Republic of Congo

The Democratic Republic of Congo’s (DRC) up coming democrat ic elections scheduled for July are the first in forty years. On June 23, 2006 the UN invited EUFOR began deployment to help protect the election process in the DRC.268 In the past the G8 have committed extensive monies and effort (and in many cases these remain ongoing

contributions) to stabilizing forces such as MONUC and the recent Peacekeeping mission in the northwest of the DRC in Ituri. Taking into account these commitments and the fears surrounding the recent outbreak of pneumonic plague, a statement at this year’s G8 Summit calling on the continued support of its commitments as well as a move to ensure a peaceful and stable conclusion to the DRC’s elections should be expected.

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United Nations Reform

The issue of reforming the United Nations (UN) has not appeared as a priority item on the G8 agenda since the 1998 Birmingham summit. Although the 2005 Gleneagles summit only saw the G8 leaders agree on the need for, but not the nature of reform, the restructuring process has accelerated significantly in the past two years. Most notably, the 2005 World Summit resulted in the agreement to establish the Human Rights Council to replace the UN Commission on Human Rights. The Summit also agreed to the principle of “Responsibility to Protect” and the establishment of the Peacebuilding Commission to assist states emerging from conflict. The new 47-member Human Rights Council commenced its first session on 19 June 2006 in Geneva and will predominantly focus on establishing operating procedures, such as a mechanism to evaluate the human rights records of all states. The Peacebuilding Commission, with its Organizational Committee finalized, will meet for the first time at the end of June. The reform of the UN Secretariat/Management and of the Security Council, has, however, been stagnant due to inter-state contentions.

Objective 1: Budget Crisis

This year, the United Nations was encumbered by a spending cap, imposed by wealthy states in order to press developing countries to approve the UN Management reforms. However, the developing states retaliated last month by voting against the reform and threatened to vote for removal of the cap. Nevertheless, the UN Secretary General Kofi Annan stated that a serious effort toward reform is now evident. Moreover, the United States, Japan, and the European Union have expressed willingness to support the removal of the spending cap.


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of the budget cap if reform initiatives will progress. Consequently, any meetings that take place at the summit on the subject of UN reform will feature these discussions on the organization’s budget, with the European G8 members, Japan, and United States moving to foster reform enthusiasm among the developing countries.

**Objective 2: Human Rights Council**

It is probable that discussions on UN reform will feature the activities and functions of the Human Rights Council. The G8’s likely objective will be to assess the Council’s work, and to address points of contention that have arisen among or between developed and developing states. The summit will also address the human rights records of Council members such as Pakistan, Saudi Arabia, and Cuba. The United States will not be directly engaged in these discussions, as it holds observer status in the Council, in keeping with its view that the structure of the Council is not able to protect human rights sufficiently. Nevertheless, the creation of the Human Rights Council is one of the most palpable results of the reform process, and as such will be addressed. Kofi Annan may also approach the G8 leaders for funding of the Council.

**Objective 3: Security Council Reform**

There are currently four proposals to reform the Security Council. The first scheme, put forth by the G3 (Germany, Brazil, India), envisions adding six permanent members without veto power, and four non-permanent members to the Security Council. The African Union’s proposal features eleven new members, with the six permanent members possessing the veto. The Uniting for Consensus Group, lead by Italy and Pakistan, proposed ten new non-permanent members which are eligible for re-election. In addition, Japan, which used to be a member of the G3/4, proposed a Security Council with six new members in the Council. The permanent seats would go to the countries that are able to receive two-thirds majority vote, and non-permanent seats to those that receive simple majority. Since the various G8 states, each lobbying for permanent seats for itself and/or fellow group members, are involved in opposing proposals—Germany in the G3, Italy in the Uniting for Consensus Group, and Japan with a proposal of its own—the discussions held on this topic may be contentious and inconclusive. Italy has already spoken out against Germany’s proposed permanent status, while Britain and France have expressed support for the G3 proposal.

Conclusion

Overall, the G8 summit may not be a suitable platform for reaching consensus on the Security Council reform, although bilateral, or marginal meetings between interested parties—by both like-minded and opposing states—may take place, with proposal architects advancing their respective claims. Britain is likely to be particularly vocal in these discussions, as Tony Blair has consistently called for UN reform and a more inclusive, modernized Security Council. With respect to the Human Rights Council, contribution pledges are rather unlikely; however, assessment and plenary discussions may easily take place. The propagators of the UN budget caps, namely, the United States, Japan, and the G8 EU member states will likely emphasize the conditionality of lifting the budget caps upon reform progress. Since important steps in the direction of reform have already been taken, any possible discussions that take place during the St. Petersburg summit will see more progress on the issue of UN reform than last year’s Gleneagles meeting.

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