

A time of transformation

US president and G8 Camp David Summit host Barack Obama looks back at a challenging decade that has seen incredible changes in political regimes and a real move towards international peace and security

This has been a difficult decade. But today, we stand at a crossroads of history with the chance to move decisively in the direction of peace. And in that effort, we have reason to hope. This year has been a time of extraordinary transformation. More nations have stepped forward to maintain international peace and security. And more individuals are claiming their universal right to live in freedom and dignity.

One year ago, the hopes of the people of Tunisia were suppressed. But they chose the dignity of peaceful protest over the rule of an iron fist. A young market vendor lit a spark that took his own life, but through that act he ignited an international movement.

The Gaddafi regime is over. Gbagbo, Ben Ali, Mubarak are no longer in power. Osama bin Laden is gone, and the idea that change could only come through violence has been buried with him. Something is happening in our world. The way things have been is not the way that they will be. The humiliating grip of corruption and tyranny is being prised open. Dictators are on notice.

But let us remember: peace is hard. Progress can be reversed. Prosperity comes slowly. Societies can split apart. And we have more work to do. In Iran, we have seen a government that refuses to recognise the rights of its own people. Men and women and children are being tortured, detained and murdered by the Syrian regime.

Pursuing the goal of true peace

We believe that each nation must chart its own course to fulfil the aspirations of its people, and America does not expect to agree with every party or person who expresses themselves politically. But we will always stand up for universal rights, rights that depend on elections that are free and fair, on governance that is transparent and accountable, respect for the rights of women and minorities, justice that is equal and fair.

Even as we confront these challenges of conflict and revolution, we must also remind ourselves that peace is not just the absence of war. True peace depends on creating the opportunity that makes life worth living. And to do that, we must confront the common enemies of humanity: nuclear weapons and poverty, ignorance and disease.

To lift the spectre of mass destruction, we must come together to pursue the peace and security of a world without nuclear weapons. America will continue to work for a ban on the testing of nuclear weapons and the production of the fissile material needed to make them. But even as we meet our obligations, we have strengthened the treaties and institutions that help to stop the spread of these weapons. And to do so, we must continue to hold accountable those nations that flout them.





Confronting the pressing issue of nuclear proliferation, particularly with regard to Iran and North Korea, is central to Barack Obama's pursuit of global peace.

President Obama is dedicated to promoting global economic growth by actively supporting open markets, innovation and entrepreneurship around the world.



The Iranian government cannot demonstrate that its programme is peaceful. It has not met its obligations and it rejects offers that would provide it with peaceful nuclear power. North Korea has yet to take concrete steps towards abandoning its weapons and continues belligerent action against South Korea. There is a future of greater opportunity for the people of these nations if their governments meet their international obligations. But if they continue down a path that is outside international law, they must be met with greater pressure and isolation.

To bring prosperity to our people, we must promote the growth that creates opportunity. In this effort, let us not forget that we have made enormous progress over the last several decades. Closed societies gave way to open markets. Innovation and entrepreneurship have transformed the way we live and the things that we do. And yet, three years ago, we were confronted with the worst financial crisis in eight decades. And that crisis proved a fact that has become clearer with each passing year – our fates are interconnected.

Today, we confront the challenges that have followed on the heels of that crisis. Around the world recovery is still fragile. Too many people are out of work. Too many others are struggling just to get by. We acted together to avert a depression in 2009.

We must take urgent and coordinated action once more. Here in the United States, I have announced a plan to put Americans back to work and jump-start our economy, at the same time as I am committed to substantially reducing our deficits over time. We stand with our European allies as they reshape their institutions and address their own fiscal challenges.

To preserve our planet, we must not put off action that climate change demands. We have to tap the power of science to save those resources that are scarce. And together, we must continue our work to build on the progress made in Copenhagen and Cancún, so that all the major economies here today follow through on the commitments that were made. Together, we must work to transform the energy that powers our economies, and support others as they move down that path.

And to make sure our societies reach their potential, we must allow our citizens to reach theirs. Together, we must harness the power of open societies and open economies. ■

Based on remarks made by President Obama at the UN General Assembly, as selected by the White House for this G8 Camp David Summit publication

Everything in moderation. Except fun, try to have lots of that.

Our nation is facing an obesity problem and we plan on being part of the solution. By promoting balanced diets and active lifestyles, we can make a positive difference.

For some people, a 12-fl.-oz. beverage may be too much. Everyone's needs are different. So we've created a variety of package sizes, like our 90-calorie, 7.5-fl.-oz. portion-control Coke cans, and more than 150 low-cal, no-cal options to help them achieve a more balanced diet.

While keeping track of calories is important, so is burning them off. In our partnership with the Boys & Girls Clubs of America, we've helped more than one million kids learn the importance of physical activity and proper nutrition through the Triple Play program.

Through our 40-year support of America's national parks and partnership with the National Park Foundation, The Coca-Cola Company has donated over \$14 million toward restoration and renovation to help keep families active in the great outdoors. As part of last year's "America Is Your Park" program, we donated recreational grants to parks across the country, including \$100,000 to the park voted "America's Favorite," Oak Park in Minot, North Dakota.

To learn more about what we're doing and why we're doing it, join us at livepositively.com



United for freedom and enterprise

During a visit to the United States, UK prime minister David Cameron shared his views on how the two countries are working together to tackle difficult international issues

There are some countries whose alliance is a matter of convenience, but ours is a matter of conviction. Two states united for freedom and enterprise, working together, day in, day out, to defend those values and advance our shared interests. That has been the fundamental business of this visit and we have just made important progress on four vital areas: Afghanistan, Syria, Iran, and economic growth.

Mission in Afghanistan

Recent days have reminded us just how difficult our mission is in Afghanistan and how high the cost of this war has been for Britain, for America and for Afghans themselves. Britain has fought alongside America every day since the start. We have 9,500 men and women still serving there. More than 400 have given their lives and today, again, we commemorate each and every one of them. But we will not give up on this mission, because Afghanistan must never again be a safe haven for al Qaeda to launch attacks against us. We won't build a perfect Afghanistan, although let's be clear: we are making some tangible progress, with more markets open, more health centres working, more children going to school, more people able to achieve a basic standard of living and security. But we can help to ensure that Afghanistan is capable of delivering its own security without the need for large numbers of foreign troops.

We are now in the final phases of our military mission. That means completing the training of the Afghan forces so that they can take over the tasks of maintaining security themselves. That transition to Afghan control, as agreed at Lisbon, is now well under way, and next year, as President Obama said, in 2013, this includes shifting to a support role as Afghans take the lead. This is in advance of Afghan forces taking full responsibility for security in 2014, and as we have always said, we won't be in a combat role after 2014. At the same time we will also back President Karzai in working towards an Afghan-led political settlement.

Strategy on Syria

A year on from the United Nations Security Council resolution on Libya, we agreed we must maintain our support for the people of the Arab world as they seek a better future. I am very proud of the action Britain and France and others took – but let us be absolutely clear: none of that would have been possible without the overwhelming support and overwhelming force that the United States provided in the early stages of that campaign, exactly what you promised you would do, that actually made that intervention possible, and has given that country a chance of prosperity and stability and some measure of democracy.

Most urgently now in Syria, we are working to get humanitarian aid to those who need it, and Britain is today pledging an additional £2 million in food and medical care. At the same time, we must properly document the evidence so that those guilty of crimes can be





David Cameron said the partnership between Britain and America is vital in upholding global security, supporting the spread of democracy and boosting the economic growth of both countries

Britain and America's shared stance over Iran, Syria and Afghanistan, means Prime Minister Cameron's deliberations with President Obama inevitably hinge on foreign policy discussions.



held to account. Above all we must do everything we can to achieve a political transition that will stop the killing. So we must maintain the strongest pressure on all those who are resisting change at all costs. We will give our support to Kofi Annan, as he makes the case for that transition, and we are ready to work with Russia and China for the same goal, including through a new United Nations Security Council resolution. But we should be clear – what we want is the quickest way to stop the killing. That is through transition, rather than revolution or civil war. But if Bashar Assad continues then civil war or revolution is the inevitable consequence. So we will work with anyone who is ready to build a stable, inclusive and democratic Syria for all Syrians.

Approach to Iran

We have discussed Iran's nuclear programme. The president's tough, reasonable approach has united the world behind unprecedented sanctions pressure on Iran, and Britain has played a leading role in helping to deliver a European Union-wide oil embargo. Alongside the financial sanctions being led by America, this embargo is dramatically increasing the pressure on the regime. Now we are serious about the talks that are set to resume. But the regime has to meet its international obligations. If it refuses to do so, then Britain and America, along with our international partners, will continue to increase the political and economic pressure to achieve a peaceful outcome to this crisis. As the president and I have said, nothing is off the table. That is essential for the safety of the region and the wider world.

Fuelling economic growth

Both Britain and America are dealing with massive debts and deficits. Of course, the measures we take in our domestic economies reflect different national circumstances, but we share the same goals. Delivering significant deficit reduction over the medium term and stimulating growth. One of the keys to growth is trade. The EU and the US together account for more than half of all global trade. Foreign direct investment between Britain and America is the largest in the world. It creates and sustains around a million jobs on each side of the Atlantic, and it provides a strong foundation for bilateral trade worth nearly \$200 billion a year. So deepening trade and investment between us is crucial and can really help to stimulate growth. Barack and I have agreed to prioritise work ahead of the G8 on liberalising transatlantic trade and investment flows.

So we have had some very important discussions this morning, and I am looking forward to continuing our talks at the G8 and at NATO summits, and visiting Barack at Camp David and in his home town of Chicago. As Barack has said, the relationship between Britain and America is the strongest that it has ever been. And I believe that is because we are working together as closely as at any point in our history. And together am confident that we can help secure the future of our nations and the world for generations to come. ■

Excerpts from a press conference given by David Cameron with US president Barack Obama at the White House, Washington, DC, US, 14 March 2012

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Merck: Enabling Access to Healthcare in Africa

As the oldest pharmaceutical and chemical company in the world, taking on responsibility has been a characteristic element of our culture and our actions for many generations. Since the early beginnings in Darmstadt Germany, we see ourselves as a part of society. This means amongst other things that we at Merck are committed to providing sustainable access to high quality, safe medicines and health solutions that are affordable for patients in developing African countries.

Working at the interface of medicines, diagnostics and chemicals, we bring our core competencies to the fore in tackling access to medicine in developing countries through broad participation in global health issues. We try to achieve this goal through a variety of activities, such as product pricing, intellectual property, research & development for Neglected Tropical Diseases (NTDs), anti-counterfeiting as well as pharmaceutical product donations and philanthropy.

Mobile Authentication System (MAS)



Counterfeit medicines are a serious threat to health care. They are fake medicines that may be contaminated or contain the wrong or no active ingredient. They could have the right active ingredient but at the wrong dose. The International Police Organization Interpol estimates that up to 30 percent of all medicines in Africa are either counterfeit or of inferior quality. The lack of appropriate treatment through counterfeited medicines will lead to a deterioration of quality of life of a person and can, at worst, harm or even kill him. On a country level, counterfeited medicines

can prevent the return of healthy workforces to labor and therefore stall the economic growth.

In order to assure our patients that they are indeed receiving the right medicine, Merck was the first to use the Mobile Authentication Service (MAS) on several of their products. MAS is a cell phone based approach supplied by Sproxil Inc. The MAS technology is based on asymmetric encryption, which is also used in bank transfers and e-commerce ensuring protection.

Patients buying medicines covered by the MAS can send a 12-digit code, included in a scratch panel on the medicine's labeling, via a text message to the system for verification of the product authenticity. Sending the text is free. The response is received instantly to confirm or refute the genuineness of the product.

This service allows not only authentication of the medicine but is also used as an educational platform to promote disease awareness. Patients are now looking out for the medicines covered by the MAS and will not accept their regular prescription without it.

Praziquantel Donation Program



Over 200 million people in Africa suffer from the widespread tropical worm disease schistosomiasis. Every year, more than 200,000 people die from this insidious disease. The consequences of an infection are particularly serious for children since

schistosomiasis stunts growth and cognitive development and also leads to anemia.



Since 2007, Merck has supported WHO (World Health Organization) in combating schistosomiasis in 14 African countries. Since then, 80 million praziquantel tablets, the most effective treatment for schistosomiasis, have been distributed and 19 million children treated. In 2011 alone, around 25 million tablets were provided in eleven African countries, treating more than five million children.

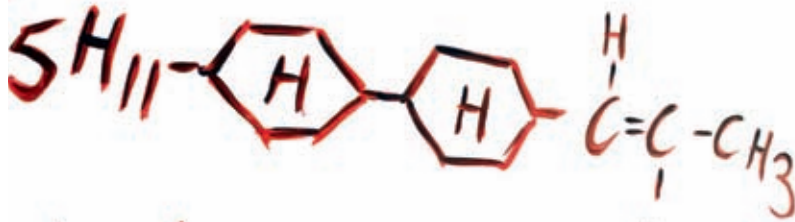
Earlier in 2012, Merck announced that it wants to eliminate this tropical worm disease in Africa. The major offensive in this effort is Merck's commitment to a tenfold increase, from 25 million to 250 million, of its annual donation of praziquantel tablets.

In addition to the tablet donation, Merck is also supporting an awareness program at African schools; it uses comic booklets and posters to explain the causes of schistosomiasis and teaches pupils how to prevent the disease.

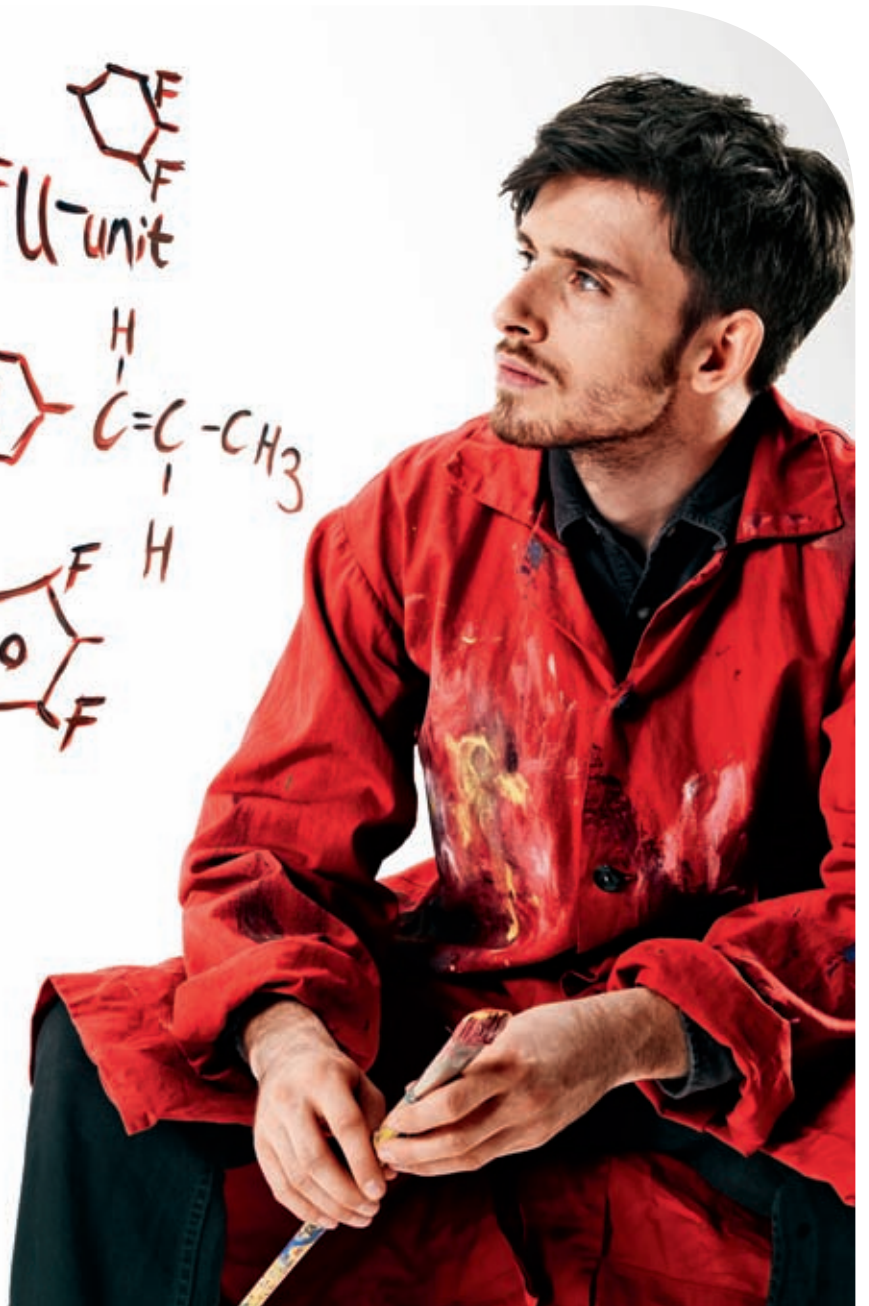
Furthermore, Merck is actively researching and developing a pediatric formulation of praziquantel that will increase therapy acceptance and improve treatment outcomes.

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Cooperation, responsibility, solidarity

German chancellor Angela Merkel on the key tenets guiding the G8's work

In my view, the three core principles of the work done by the G8 and G20 are cooperation, responsibility and solidarity. Our talks at the forthcoming summits in Camp David and Los Cabos will also be guided by these principles. The list of issues that we want to address at these summits is long but, of course, not conclusive. At the G8 Deauville Summit last year, we showed that we can react quickly to urgent developments in the world. We grasped the opportunity presented by the changes that swept North Africa and the Middle East to form a partnership with the transition countries, a partnership that will provide a framework for our cooperation for many years to come. Both the G8 and the G20 summits offer the heads of state and governments of both the leading industrialised countries and the world's emerging economies the chance to devise joint proposals on how to resolve current global issues. We have to take advantage of this opportunity.

Events in North Africa and the Middle East have brought home to us the enormous potential for economic and political development in this region. The aim of the Deauville Partnership is, in short, to enable this potential to be realised through cooperation with the G8. Therefore, our task at Camp David will be to give this cooperation more substance and to come up with concrete projects. For instance, legal cooperation on the return of expropriated state property should be extended and the reciprocal opening of markets advanced. The expansion of the geographical scope of the mandate of the European Bank for Reconstruction and Development (EBRD) to include the Southern Mediterranean countries has already progressed considerably.

Getting young people into work

We continue to attach special importance to the fight against youth unemployment. The International Labour Organization (ILO) has stated that the world's highest youth unemployment rates, at 25 per cent, are to be found in the North African and Middle East region. Getting off to a bad start has serious consequences not only for the young people concerned, but also for the economy as a whole. The G20 has therefore drawn up an entire catalogue of measures and best practices aimed at improving the quality of vocational training and its practical relevance, as well as entry into the job market after school or higher education. This now has to be implemented. An approach that has been particularly successful in Germany, Switzerland and Austria is the dual system, which combines vocational schooling and on-the-job training. Under this system, there is a much greater chance that young people will find a job once their training is completed. According to the ILO, youth unemployment in Germany is low, at around eight per cent, and this is without doubt due to the success of our model. A German vocational training programme in Egypt is attempting to apply this experience in concrete terms in a Deauville partner country, thus making a very practical contribution towards improving working conditions and quality of life on the ground.

This year will also be the year of the Rio+20 conference and the 18th United Nations Climate Change Conference in Qatar. We must all assume responsibility for our future and for that of coming generations, renew our political commitment to sustainable development and advance the Durban Platform in order to ensure that we can conclude a new international climate change agreement by 2015 at the latest.

All of this has to be considered when we shape the framework for global economic growth, for we in the G20 have set ourselves the goal of fostering strong, sustainable and balanced growth. This formula must now be put into practice. Mexico has helped in this by choosing green growth as the cross-cutting issue of its G20 presidency.

Economic growth and environmental protection go hand in hand and create new potential. According to forecasts, the global turnover in environmental technologies will grow to more than €4,400 billion (\$5,780 billion) by 2025, a threefold increase compared to 2007. Investments in energy efficiency, sustainable water management or new transport strategies have been producing impressive growth rates for many years now. Moreover, they boost innovation in the entire economy. We have to carry on promoting this dynamic growth.

As representatives of the largest economies – the G20 accounts for 80 per cent of world trade – we bear a special responsibility for free trade and open world markets, vital prerequisites for dynamic growth in the global economy. However, in recent times we have witnessed a series of G20 states introducing an increasing number of protectionist measures. At the forthcoming summits, therefore, Germany will call on the G8 and G20 to stand by our commitment to free trade and to step up our joint efforts to prevent protectionism and liberalise world trade.

Supporting African nations

Solidarity with other states, in particular African nations, has always been one of the G8's priorities. I welcome the fact that this also increasingly applies to the work of the G20. The issue of food security highlights what the two forums can achieve. One example of this is the L'Aquila Food Security Initiative, initiated by the G8 in 2009 and supported by many other states. In the past three years it has been able to make a real difference to its beneficiaries through its financial support for a whole host of large and small food-security projects.

Another example is the Agricultural Market Information System (AMIS), launched by the G20, which promises to lead to more transparent, and thus fairer, prices on local markets in Africa. However, the disaster in the Horn of Africa last year demonstrated once more that we have a long way to go before we have vanquished hunger. We therefore have to seek new and even unconventional solutions in order to ensure that the solidarity we can show as leading industrialised countries and emerging economies has maximum impact.

The best way to combat hunger is to support the many millions of smallholders in sub-Saharan Africa, increase agricultural productivity, transfer agrotechnologies and – probably the most important and effective means – create the framework for sustainable and durable private investments. Only when a reliable local market for food has evolved, with efficient cultivation and storage methods as well as fair and transparent prices for producers and consumers, will a long-term solution be found to the problem of malnutrition.

Time is of the essence. UNICEF has estimated that today 38 per cent of all children in Africa are suffering from malnutrition-related development problems. This considerably lessens their chances of earning an adequate living later to support themselves and their families. According to the World Bank, the malnutrition of children alone results in a decrease of two to three per cent in gross domestic product in the countries affected. This is unacceptable, both in human and economic terms.

This is only a small selection of the issues we will address in an open and constructive exchange at the Camp David and Los Cabos summits. I am certain that if the G8 and G20 countries make decisions and act in unison, we will be able to achieve remarkable progress. ■



Chancellor Merkel believes that the Camp David Summit can help the G8 to make significant progress on worldwide issues such as youth unemployment and sustainable development.

G8: acting together for global prosperity and security

Canadian prime minister Stephen Harper considers the progress made on agreements at recent G8 summits and how continued cooperation is crucial to addressing both new and ongoing challenges

In 2010 in Muskoka and last year in Deauville, the G8 addressed critical situations affecting global peace and security, promoted solutions to improve maternal and child health in the developing world, and stood up for values we hold dear: freedom, democracy, human rights and the rule of law. The G8 continues to serve as a key actor and catalyst for launching concrete and credible responses to global challenges.

As we near the 2012 summit at Camp David, I am pleased to see that the work on another key component of the G8, namely accountability, continues. Last year, building on the annual accountability reporting process that Canada initiated at Muskoka, the French G8 presidency released the Deauville Accountability Report, which focused on commitments made, and results achieved, by G8 partners in the areas of health and food security. Ensuring G8 accountability stood high not only on the list of Deauville Summit priorities, it also figures prominently in the US G8 presidency's plans for the Camp David Summit this year. Continuing to make the G8 more accountable, and ensuring that it better delivers on its commitments, makes it a stronger and more effective international forum. The notion that an accountable G8 is a more effective G8 is now commonly accepted and, together with the Muskoka Initiative on Maternal, Newborn and Child Health, is one of Muskoka's great legacies.

At the Deauville Summit, I was also proud – both as Canada's prime minister and as co-chair of the United Nations Commission on Information and Accountability for Women's and Children's Health – of Canada's role in improving the health of women and children in developing countries around the world, including by encouraging G8 leaders to support and implement the recommendations of the commission and urging others to do so as well.

This year again, Canada will have a strong record to present at the Camp David Summit, particularly on food security, as we were the first among G8 members to have fully disbursed our \$1.18 billion 2009 L'Aquila commitment to support sustainable agriculture development. Moreover, Canada has fully delivered on its promise to untie 100 per cent of food aid, and has been at the forefront in addressing urgent

humanitarian crises, including the East Africa drought. But we will not stop there. There is a need to invest in innovative solutions and to engage with the private sector to promote investments in agriculture. Canada is committed to working closely with its partners to further strengthen global efforts on this issue.

Despite our progress on these issues, real challenges remain. G8 leaders will once again be meeting at a time of global economic uncertainty, and Canada has again had one of the strongest economic performances in the G8. Our recovery has been fuelled by significant policy stimulus from Canada's Economic Action Plan, as well as by our sound fiscal and monetary policy framework, which have led to a strong rebound in consumer and business spending. While Canada's domestic economy has been resilient over the past year, the challenges of weaker global growth and global financial turmoil persist. With this in mind, I look forward to working with our G8 partners to foster the conditions required for enhancing global economic growth and ensuring long-term prosperity, notably by promoting trade liberalisation and market access and fighting protectionism.

Global peace and security challenges remain important issues for the G8. In Deauville, leaders discussed Afghanistan and Pakistan, the Middle East Peace Process, Iran, North Korea, the threat of terrorism and the transformations in the Middle East and North Africa. In an outreach session with the prime ministers of Egypt and Tunisia, the International Monetary Fund, the World Bank and the United Nations, leaders adopted a declaration on the Arab Spring and, along with the leaders of Egypt and Tunisia, launched the Deauville Partnership to support the transitions towards democracy in the Middle East and North Africa. The G8 is committed to accompanying transition countries on their path towards democracy and more inclusive

economic development. For its part, Canada will continue to promote key foundations of the Deauville Partnership, such as respect for democracy and fundamental freedoms, including the right to practise religious faith in safety and security.


Working alongside the international community, the G8 is addressing global security

Continuing to make the G8 more accountable, and ensuring that it better delivers on its commitments, makes it a stronger and more effective international forum

issues. Last year in Deauville, leaders issued a strong statement on Libya saying that Gaddafi had failed to protect the Libyan population and that 'he must go'. The people of Libya will soon be afforded the opportunity to choose their leaders in democratic elections.

However, the situation in Syria remains unacceptable. At Camp David, the G8 will draw further attention to the international community's expectation for the Syrian regime to urgently stop perpetuating violence against its own people.

Energy figures prominently on the Camp David Summit agenda. In this time of fiscal restraint, energy security is a critical factor in ensuring economic growth and prosperity. As a major energy producer and net energy exporter across the full spectrum of energy commodities and technologies, Canada is contributing to continental and global energy security and will continue to work with its partners to further this goal.



Canada's Stephen Harper is committed to working with the other G8 members to create the conditions needed for improved global economic growth and security.

On the environment, Canada is committed to building upon the success of the Copenhagen, Cancun and Durban conferences and working towards a legally binding agreement that includes all major emitters. Domestically, through our sector-by-sector strategy, Canada is on track to reduce greenhouse gas emissions by 17 per cent from 2005 levels by 2020 – a target we share with the United States. Canada is also on target to deliver on its \$1.2 billion fast-start financing commitment. During the recent Summit of the Americas, Canada

announced funding to support projects for renewable energy, energy efficiency, adaptation and reducing greenhouse gas emissions.

The past few years have witnessed the emergence of numerous global challenges. The G8's agenda and actions prove a continuing capacity to work together and, with other partners, to address these challenges. Again, this year at Camp David, we will continue to find innovative and effective solutions to pursue global security, as this is the best assurance of security and prosperity in Canada. ■

Prospects for the Camp David Summit

The agenda is set for a small and intimate gathering of leaders with a shared desire to shape strategies for growth and security, and to build a better world

By John Kirton, director, G8 Research Group

The G8 summit, to be hosted by US president Barack Obama at the presidential retreat at Camp David, Maryland, on 18-19 May 2012, promises to be a significant event. It takes place in the political lead-up to the presidential election in November 2012, in which Obama will seek a second term.

It is being held in tight tandem with a summit of the North Atlantic Treaty Organization (NATO) in Chicago on 20-21 May, and will be followed by the G20 summit in Los Cabos, Mexico, on 18-19 June and then the Rio+20 summit in Brazil on 20-22 June.

The Camp David Summit is in the context of the preparations for the G20 summit being hosted by the United States' North American neighbour Mexico one month later. It is also designed to intensify the G8's return to a small, intimate, informal gathering, where leaders can be alone to act as leaders, making the big decisions that only they can. The need for political leaders to bond personally is reinforced by the return of Vladimir Putin to Russia's presidency and thus the G8 summit, and the arrival of new leaders from Japan and Italy. France's president will fly in fresh from a presidential election less than two weeks before.

The summit will feature a wide-ranging but highly selective agenda, aimed at producing a short, action-oriented communiqué. In a short time, starting with an opening dinner on the evening of 18 May and continuing with working sessions until late in the afternoon of 19 May, leaders will cover the economy of an America and a world struggling to generate good growth and jobs, global development as the 2015 deadline for delivering the Millennium Development Goals (MDGs) approaches, and peace and security to advance the G8's core mission of promoting democracy and reform and respond to crises in Iran, Syria, North Africa, Afghanistan and the Korean peninsula. America's priority themes are food security in Africa, follow-up to the 2011 Deauville Partnership with the Middle East and African countries, and civilian support for Afghanistan.

Leaders will focus first on the economy, at a time when the US and other G8 members need to manage a fragile economic recovery, with a recession in continental Europe, slowing growth in the major emerging economies of China, India and Brazil, and growing worries about a possible new financial crisis in countries such as Spain. This agenda includes macroeconomic policy, employment, structural and microeconomic reform, trade, investment, infrastructure and social policy with an emphasis on education and training. Supported by a

Europe preoccupied with domestic economic problems, the G8 is likely to set its own lines of action, if not produce a full-blown strategy, for growth and deficit reduction. It will look for ways to support rather than shape or supplant the broader G20 plan to be announced a month later at Los Cabos. It could well endorse the G20's Cannes Action Plan for Growth and Jobs and stress the importance of follow-up.

A particular concern could also be energy, at a time when Americans are paying high prices at the pump, seeing their economy struggle as a result, and blaming their incumbent president for both in the public opinion polls. The G8 is likely to take a comprehensive look at the energy mix, high oil prices, oil emergencies, energy efficiency, nuclear energy and climate change.

It may well signal that it is prepared to release oil from members' strategic petroleum reserves, if necessary.


Focus on food security

On development, the Camp David agenda will focus on partnership with Africa, especially on food security. The emphasis will be on the role of the private sector in agriculture, how governments can create an enabling environment, the investment framework, risk insurance, science and technology, research and development, and nutrition. Leaders will take stock of the food security commitments they made at the 2009 L'Aquila Summit, which are due for delivery this year. They will emphasise accountability and reporting on financial and non-financial results, based on a report on food security that could include annexes on related issues such as health. Leaders will consider what to do on food security in today's constrained fiscal environment, rather than mount a new pledging session. Thus private-sector development and its role in agriculture will have pride of place. African countries that have said they want to work on principles to

In a short time, leaders will cover the economy of an America and a world struggling to generate growth and good jobs, as well as global development, and peace and security

prompt private-sector investment in agriculture, and thus promote food security and development, will be featured. Led by the US and Britain, G8 attention could also extend to food- and nutrition-related aspects of maternal, newborn and child health, HIV/AIDS, tuberculosis, malaria, effectiveness and good governance.

On their political-security agenda, the Camp David leaders will follow up on last year's Deauville Partnership with now five reforming countries in the Middle East and North Africa. Recognising that the situation in each partner varies considerably, they will deal with the partnership's three streams of financial stabilisation and job creation, trade and investment, and governance including transparency, accountability, government procurement, integrity and anti-corruption. As hosts, the Americans seek to highlight concrete implementing actions from G8 countries and how to work with regional partners in order to do more.



The G8 leaders will spend time discussing security challenges, notably in Syria and Iran. They will also address Afghanistan from a civilian perspective

The G8 leaders will also address Afghanistan, from a civilian perspective rather than security one, as the country moves into its transformation decade with the withdrawal of international troops in 2014. Mindful of the NATO summit in Chicago immediately after, the G8 will deal with the impact of troop withdrawals on the Afghan economy, how these withdrawals relate to the security situation, and how to follow up, at the conference on support for Afghanistan, scheduled to take place in Tokyo on 5 July.

The G8 will also focus on critical regional security challenges, most notably in Syria and Iran, and perhaps the Korean peninsula. Any other crisis erupting on the eve of the summit could attract their attention.

It is here that the G8 could best show it is needed more than ever, as a fast, flexible, high-level, trust-based club that can integrate

economic, development and security instruments to save innocent civilian lives and produce global public goods – notably nuclear non-proliferation – that will benefit all. The leaders will address G8 governance, with a focus on accountability. This includes not only taking stock of the L'Aquila commitments on food security, but also improving transparency in reporting and involving civil society in this aspect of the G8's work. Possible advances are agreeing on indicators to measure results and having an external evaluator assess the G8's draft accountability report, with the comments included in the G8's final public report.

In all, there is much to do in the short 24 hours that the G8 leaders will be alone together. But this is likely to be time well spent in building a better world. ■

America's G8 summitry: back to the future

As the Obama administration's enthusiasm for the larger G20 forum wanes, the focus is shifting back to the more established G8 format

By Robert Fauver, former G7/G8 sherpa, United States

This year's Camp David Summit is likely to represent a return to prominence for the G8 as a multilateral forum for serious economic and political discussions and decision-making. The Obama administration would seem to have rediscovered the forum's potential value as a major body in the international sphere. The summit may also represent a watershed moment in the relationship between the G8 and the G20. Barack Obama made a personal decision to move the G8 summit from the original plan of holding it in Chicago – a very public atmosphere – to the quiet, thoughtful and more intimate atmosphere of the Camp David retreat. This reflects a decision by the president that greater use should be made of the G8 process and less reliance should be placed on the larger G20 format. For a number of the key issues facing leaders, an informal venue would be more conducive to reaching agreements.

This change could represent an almost full-circle adjustment to the view of the G8 and G20 held by the Obama administration. At the beginning of the administration, officials were quite taken with the G20 as an institution for resolving the global financial crisis. Early comments by officials indicated that the G20, because of its wider membership, would be more useful in determining macroeconomic and financial policy cooperation than the existing G8 format had been.

A return to classic policy issues

By the time of the Muskoka Summit in Canada in late June 2010, the Obama administration had successfully argued for a shift in the focus of the G8 away from the classic issues of macroeconomics, balance-of-payments adjustment, exchange rates, inflation and employment towards a much more limited focus on development. The communiqué, in fact, included a clear statement of the new role for the G8. "At Muskoka in 2010, we are focusing on an effective agenda to address key challenges in development, international peace and security, and environmental protection." This sweeping statement represented a fundamental reduction in the role of the G8.

For decades, the US – under various administrations – had viewed the Group of Five, then the Group of Seven and then the Group of Eight as the forum for economic policy coordination and cooperation. US administrations had used the G7/8 meetings as a focus of efforts to secure balance of payments adjustment, resolve various international debt crises and deal with a host of macroeconomic-related goals, from structural adjustment to support of multilateral trade negotiations.

The Obama administration is no longer enamoured with the G20 as a functioning body. Certainly, the G20 performed strongly as a body in addressing pressing problems in the wake of the global financial crisis.

Membership is considerably broader than the older G8 and, for the first time, major developing countries have a seat at the table. The first G20 communiqués issued the right degree of concern and commitment to undertake cooperative changes in financial market policy in order to secure a stronger global financial system. But it has become clear that follow-up on earlier commitments has been weak. The discussions have been good, but the implementation of policy commitments has been less satisfactory. Obama administration officials have also become convinced that a smaller group than the G20 is needed for useful discussions and to reach agreement on policy changes.

At the Camp David Summit, there is likely to be a return to the original agenda of the G7/8 summits. Instead of the Muskoka focus on development and environmental issues, leaders will concentrate on the classic issues of earlier G7/8 summits: macroeconomic policy, such as the state of the world economy and how G8 growth strategies can help strengthen the outlook for real growth and rising employment. There will be discussions on national debt-reduction strategies (with a particular focus on Europe and the US) and also on global energy issues, including joint efforts to lower oil prices.

Global energy concerns will play a crucial role

Thus, the Camp David Summit is likely to look more like summits of a decade earlier. It will produce a shorter, more concentrated communiqué that addresses the critical economic issues of the day: growth, employment and inflation. In addition, this year's summit is likely to recapture the political and strategic nature of early G8 summits.

Two pressing issues will receive a great deal of attention in the discussions: global energy policy and Iran's efforts to become a nuclear weapons state. On the energy front, the continued sharp rise in crude oil prices – and the concomitant rise in gasoline prices – has grabbed the leaders' attention. The existing weak recovery of the international economy – and worry about a double-dip recession in Europe – is worsened by high and rising oil prices. The potential for cooperative releases of government-owned oil stocks could receive considerable discussion at the Camp David Summit.

In addition, leaders will discuss methods of limiting the scope for speculation in the oil futures market. Most analyses indicate that a considerable part of the current high price of crude oil reflects not underlying demand and supply balances, but rather speculation in the futures markets about the situation in the Middle East. Changing margin requirements for futures markets could be on the table.

On the geopolitical front, the G8 is likely to put down clear markers on important issues of the day. The Iranian situation will receive considerable attention at Camp David. Although the sanctions are continuing to tighten, there remains little evidence of a change in Iran's policy of developing a nuclear weapons capability. The communiqué will search for new pressure points for combined efforts at dissuading Iran from attempting to build nuclear weapons.

The continuing problems in Syria will also be a matter for discussion in the G8. Among the major countries, only Russia continues to resist robust multilateral efforts to bring a cessation to the violence taking place in Syria. The leaders' informal discussions at Camp David will be looking for a way to bridge the gap between each other to reach a consensus on how to bring pressure on Syria to find a peaceful solution to the crisis there. ■

Issues surrounding global energy policy, together with Iran's nuclear ambitions, are likely to be the main focus of discussions by the G8 leaders





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Illinois – the place to do business

G8 host Barack Obama's home state is investing heavily to make sure it maintains its status as a world-class, cutting-edge centre for commerce

By Pat Quinn, governor, State of Illinois

We stand at an exciting crossroads. During my time as governor, the State of Illinois has taken the steps necessary to create a sound foundation for the next century of economic development, but our work is not yet done.

Illinois is the economic engine of the Midwest. We are first in exports, first in foreign investment and first in attracting visitors. I am committed to implementing policies that will continue to put Illinois residents to work for growing companies from around the world.

We have a world-class workforce, six million strong, that is one of the most productive in the US. We offer businesses unparalleled access to their clients and suppliers, and access to capital and other vital resources to help businesses of all sizes thrive – including the infrastructure that enables them to go anywhere and meet the needs of their customers around the world.

In the past few years, we have watched the accolades roll in:

- *US News & World Report* named Illinois as one of 10 'business-friendly' states that are gaining businesses;
- The State of Illinois and Chicago were named among the top 10 locations for new and expanded corporate facilities;
- *CNN Money* named Chicago the country's third most affordable city in which to do business; and
- *Money Rates* lists Illinois among the top states for making a living.

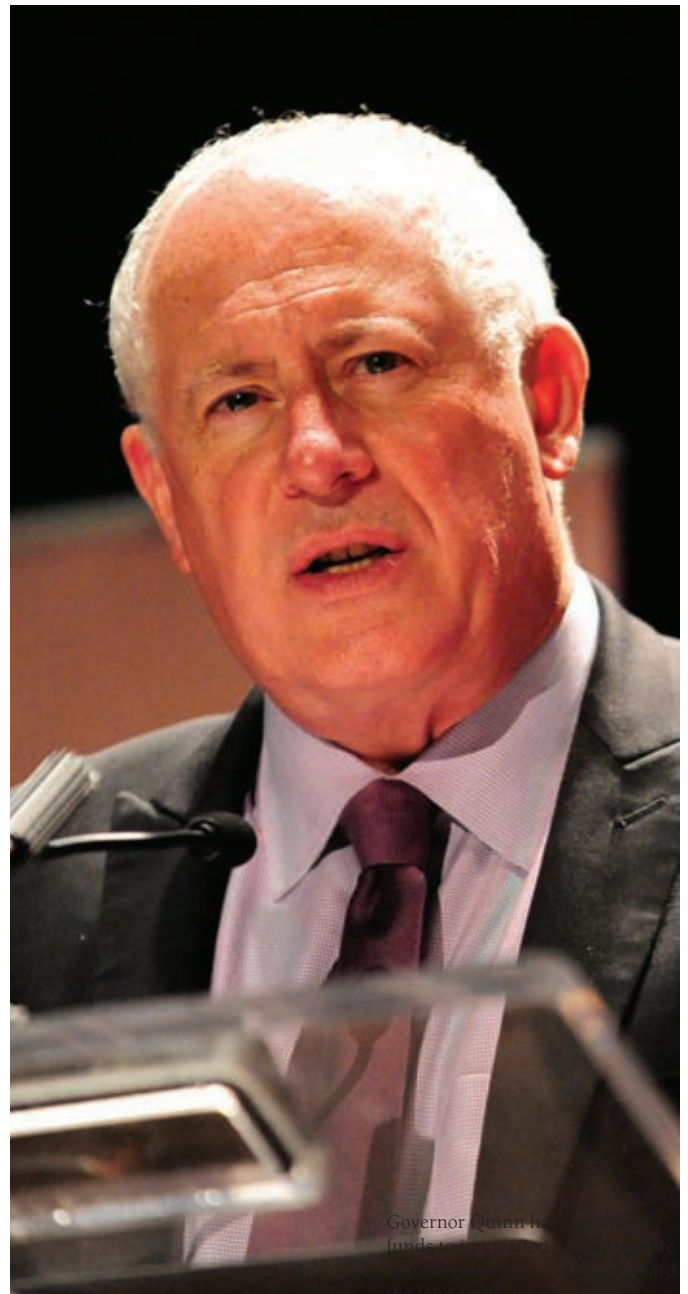
Illinois continues to be an excellent place to do business because we are making the kinds of investments that help companies thrive. My administration has an aggressive agenda for bringing quality jobs to Illinois, which means supporting innovation, exports and foreign investment, a business-friendly environment, education reform and continued improvements in our world-class infrastructure.

Innovation

My administration is focused on supporting innovation and emerging technologies. Illinois now ranks second in the country, trailing only California, for its number of high-tech start-ups. In recent years, annual venture capital investments in Chicago's start-up firms have risen to more than \$1 billion for the first time since 2000.

Just over a year ago, I launched the Illinois Innovation Council. The council is composed of key business executives, including the founders of Groupon, across a variety of critical sectors, along with science, technology and university leaders to help ensure the state remains at the cutting edge of the global economy.

We continue to make Illinois a destination for entrepreneurs by supporting start-ups and high-growth businesses. Last month, we launched '1871', a new 50,000 sq ft tech centre that will gather start-ups together, creating a community of mentors, partners, peers, developers and investors to spark innovation and create well-paid jobs.



Exports and foreign investment

Illinois is a great place to do business – whether your company began in Chicago, Los Angeles or Tokyo. We currently rank first in the Midwest for exports and foreign direct investment, with Illinois exports totalling more than \$50 billion in 2010, a 20.3 per cent increase over 2009.

There is a reason why Illinois is the America's sixth largest exporting state and exports more than any other non-coastal state – we are America's inland port. Illinois has an attractive transportation system, with Chicago as a major hub for international travel and the



Illinois is America's inland port with an attractive transportation system – its largest city, Chicago, is a major international transport hub



ability to move goods quickly to anywhere in the world. Our global mentality is evident in the dynamism of our workforce, our focus on infrastructure and the access to capital that Illinois provides. I am committed to making sure Illinois remains competitive on a global scale – my goal is to double exports by the end of 2014.

Illinois is already home to more than 1,500 subsidiaries of foreign companies. We are working hard to further our partnerships with countries around the globe to expand foreign direct investment and trade. We continue to work every day to make Illinois an even more attractive place in which to do business.

Business-friendly environment

Keeping Illinois globally competitive means bringing businesses to the state – and persuading them to stay here.

My administration has an aggressive agenda to help businesses large and small both to grow and to thrive. We have compiled a wide variety of tax credits and other targeted incentives for companies, further strengthening our business environment by supporting research and development, and making it easier for companies that are located here to increase innovation and to operate in the global marketplace.

Staying competitive also means implementing reforms. Last year, I enacted historic workers' compensation reform that will save employers more than \$500 million annually, while maintaining important worker protections. We also undertook major unemployment insurance reform that will save businesses \$400 million over eight years, but did not require cuts in benefits to workers.

We are also eliminating red tape to make it easier to do business. We have passed laws to simplify and streamline the environmental permit process to help Illinois' employers to create more jobs, and a tech bill to boost emerging technologies and create Illinois jobs in technology-based fields. According to a report compiled by Ernst & Young, Illinois is ranked fifth lowest in the country for its effective tax rate on new investment (at 4.6 per cent).

The steps we have taken, and are continuing to take, are ensuring our state's role in the emerging global marketplace.

Infrastructure

In addition, we are also keeping our brick and mortar foundation strong, making it easier than ever for companies to transport their goods both within and outside the State of Illinois.

With this aim in mind, shortly after coming into office, I launched the state's first capital construction programme in a decade.

Through this initiative we are making vital improvements to the infrastructure system that business depends on. By upgrading our roads and bridges, and by upgrading to high-speed rail, businesses have more direct routes to engage consumers. And by giving businesses the tools they need to relocate and expand, we have created 108,100 jobs since January 2010.

Education

Jobs follow brainpower, which is why Illinois continues to make significant investments in education.

Our state not only has one of the most productive workforces in the United States, it also has one of the best-educated – 30 per cent of the state's population has a bachelor's degree, while 11.2 per cent of the population holds an advanced degree.

And Illinois will improve upon that success with the next generation of learners. We are investing in early childhood education to give our children the building blocks for success. When they get to school, the educational reforms we passed last year will give them the tools they need to be productive workers and citizens.

Illinois is a global business leader. And our focus is on long-term economic development, so that we can continue to help businesses to grow in our state. The impact of global recession was felt around the world, and Illinois was no exception. However, the steps we have taken to build and invest in our state are continuing to make Illinois a great place in which to do business. ■