



**G8 Research Group – Oxford**

**'Outreach 5' Country Assessment Report  
2007 Heiligendamm Summit**

**June 2007**

**Prepared by:**

Timothy Myatt, Carlos Sayao, Diarmuid Torney, and Zinta Zommers

The views expressed in this report are those of the authors alone.  
They do not necessarily reflect the views of the associated institutions.

**Table of Contents**

**Brazil ..... 2**

**China..... 4**

**India ..... 7**

**Mexico..... 11**

**South Africa ..... 13**

## **Brazil**

### **Objective 1: Post-2012 Climate Agreement**

Summit negotiations on global climate change were highly successful from a Brazilian perspective. G8 leaders not only acknowledged that the UN climate process is the best framework to develop international climate policy, but also re-committed to their 'common but differentiated responsibility' in tackling climate change.<sup>1</sup> This will likely result in the continuation of foreign investment in emissions reductions projects in Brazil, and indeed, the G8 leaders are looking to see an improved and strengthened Clean Development Mechanism.<sup>2</sup> The heads of state did not agree to legally-binding numerical emissions reductions targets; instead, they vouched to 'consider seriously' cutting emissions by 50% by 2050.<sup>3</sup> While this was viewed by some journalists and policy analysts as a serious failure, Brazil may interpret this as an indication that the G8 will take the lead in climate change mitigation because emissions reductions targets were not included at all in the Joint Statement by the German G8 Presidency and the Outreach 5 released on 8 June 2007.<sup>4</sup>

### **Objective 2: Financial Incentives for Reducing Deforestation Rates**

The outcome on deforestation in developing countries was a partial success for Brazil. The fact that the issue made it into the communiqué on climate change was a positive result for Brazil; however, there was no specific mention of a global fund as outlined in the Brazilian proposal to the UN Framework Convention on Climate Change. Instead, the G8 encouraged the establishment of a pilot programme to create and test 'performance-based instruments' to reduce GHG emissions from avoided deforestation in developing countries.<sup>5</sup> G8 leaders also promoted the sharing of best practices for sustainable forest management.<sup>6</sup>

### **Objective 3: Doha Development Round Trade Negotiations**

A breakthrough on this objective did not occur in Heiligendamm; therefore, the outcome of Doha Development Round discussions at the Summit was not a complete success for Brazil, despite President Lula claiming that "I go away from Heiligendamm with the feeling that we will come to a conclusion" of the Doha round.<sup>7</sup> G8 leaders did stress the need for an "ambitious, balanced and comprehensive" agreement on the Doha round to enhance trade between the

---

<sup>1</sup> Growth and responsibility in the world economy, G8 Summit 2007 Heiligendamm, (Heiligendamm), 8 June 2007. Date of Access: 8 June 2007. [http://www.g-8.de/Content/EN/Artikel/\\_q8-summit/anlagen/2007-06-07-gipfeldokument-wirtschaft-eng,property=publicationFile.pdf](http://www.g-8.de/Content/EN/Artikel/_q8-summit/anlagen/2007-06-07-gipfeldokument-wirtschaft-eng,property=publicationFile.pdf)

<sup>2</sup> Growth and responsibility in the world economy, G8 Summit 2007 Heiligendamm, (Heiligendamm), 8 June 2007. Date of Access: 8 June 2007. [http://www.g-8.de/Content/EN/Artikel/\\_q8-summit/anlagen/2007-06-07-gipfeldokument-wirtschaft-eng,property=publicationFile.pdf](http://www.g-8.de/Content/EN/Artikel/_q8-summit/anlagen/2007-06-07-gipfeldokument-wirtschaft-eng,property=publicationFile.pdf)

<sup>3</sup> Chair's Summary, G8 Summit 2007 Heiligendamm, (Heiligendamm), 8 June 2007. Date of Access: 8 June 2007. [http://www.g-8.de/Content/DE/Artikel/G8Gipfel/Anlage/Abschlussserkl\\_C3\\_A4rungen/Chairs-summary,property=publicationFile.pdf](http://www.g-8.de/Content/DE/Artikel/G8Gipfel/Anlage/Abschlussserkl_C3_A4rungen/Chairs-summary,property=publicationFile.pdf)

<sup>4</sup> Joint declaration by the German G8 Presidency and Heads of State and/or Government of Brazil, China, India, Mexico and South Africa, G8 Summit 2007 Heiligendamm, (Heiligendamm), 8 June 2007. Date of Access: 8 June 2007. [http://www.g-8.de/Content/EN/Artikel/\\_q8-summit/anlagen/o5-erklaerung-en,property=publicationFile.pdf](http://www.g-8.de/Content/EN/Artikel/_q8-summit/anlagen/o5-erklaerung-en,property=publicationFile.pdf)

<sup>5</sup> Growth and responsibility in the world economy, G8 Summit 2007 Heiligendamm, (Heiligendamm), 8 June 2007. Date of Access: 8 June 2007. [http://www.g-8.de/Content/EN/Artikel/\\_q8-summit/anlagen/2007-06-07-gipfeldokument-wirtschaft-eng,property=publicationFile.pdf](http://www.g-8.de/Content/EN/Artikel/_q8-summit/anlagen/2007-06-07-gipfeldokument-wirtschaft-eng,property=publicationFile.pdf)

<sup>6</sup> Growth and responsibility in the world economy, G8 Summit 2007 Heiligendamm, (Heiligendamm), 8 June 2007. Date of Access: 8 June 2007. [http://www.g-8.de/Content/EN/Artikel/\\_q8-summit/anlagen/2007-06-07-gipfeldokument-wirtschaft-eng,property=publicationFile.pdf](http://www.g-8.de/Content/EN/Artikel/_q8-summit/anlagen/2007-06-07-gipfeldokument-wirtschaft-eng,property=publicationFile.pdf)

<sup>7</sup> New hope for Doha round, Deutsche Presse Agentur (Hamburg), 8 June 2007. Date of Access: 8 June 2007. <http://213.61.87.168/000120d6/navsetting.nlx?pl=0&pr=0>

developed and developing world.<sup>8</sup> The call was made for the successful conclusion of the Doha round by the end of this year.<sup>9</sup> German Chancellor Merkel echoed President Lula's view in her statement that "the success of the WTO round is crucial."<sup>10</sup> However, there were no explicit agreements nor consensus over the need to decrease subsidies in US and EU agricultural markets, something Brazil was hoping might result from the Summit.

#### **Objective 4: Global Ethanol Market**

Brazil did not achieve success with respect to this objective. Alternative fuels, including biofuels, were addressed in G8 meetings, but ethanol markets were not explicitly addressed in detail. G8 leaders agreed to work to increase the share of biofuels in total fuel consumption, and to continue to promote policy frameworks to enhance energy diversification through the global use of bioenergy.<sup>11</sup> A significant push to transform ethanol to a globally traded commodity like oil did not occur at the Summit, despite President Lula's aspirations.

Carlos Sayao  
G8 Research Group - Oxford

---

<sup>8</sup> Chair's Summary, G8 Summit 2007, Heiligendamm, (Heiligendamm), 8 June 2007. Date of Access: 8 June 2007. [http://www.g-8.de/Content/DE/Artikel/G8Gipfel/Anlage/Abschlusserkl\\_C3\\_A4rungen/Chairs-summary.property=publicationFile.pdf](http://www.g-8.de/Content/DE/Artikel/G8Gipfel/Anlage/Abschlusserkl_C3_A4rungen/Chairs-summary.property=publicationFile.pdf)

<sup>9</sup> G8 Trade Declaration, G8 Summit 2007 Heiligendamm, (Heiligendamm), 8 June 2007. Date of Access: 8 June 2007. [http://www.g-8.de/Content/EN/Artikel/\\_g8-summit/anlagen/trade.property=publicationFile.pdf](http://www.g-8.de/Content/EN/Artikel/_g8-summit/anlagen/trade.property=publicationFile.pdf)

<sup>10</sup> G8 leaders call for rapid deal on trade liberalization, Deutsche Presse Agentur (Hamburg), 8 June 2007. Date of Access: 8 June 2007. <http://213.61.87.168/000e48f2/navsetting.nlx?pl=0&pr=1>

<sup>11</sup> Growth and responsibility in the world economy, G8 Summit 2007 Heiligendamm, (Heiligendamm), 8 June 2007. Date of Access: 8 June 2007. [http://www.g-8.de/Content/EN/Artikel/\\_g8-summit/anlagen/2007-06-07-gipfeldokument-wirtschaft-eng.property=publicationFile.pdf](http://www.g-8.de/Content/EN/Artikel/_g8-summit/anlagen/2007-06-07-gipfeldokument-wirtschaft-eng.property=publicationFile.pdf)

## China

### **Objective 1: Climate Change**

China's overall position on the issue of climate change is informed by the view that the developed world must undertake the principle efforts to combat global warming, since it is the developed world which has contributed most to the problem to date.<sup>12</sup> The Summit Declaration stated that the G8 will 'consider seriously' the goal of halving GHG emissions by 2050, but did not include a quantified target for all G8 and Outreach 5 countries, which is in keeping with China's approach. The Declaration invited the emerging economies to join the G8 is the endeavour of tackling climate change.<sup>13</sup>

Furthermore, the Declaration reiterated support for the principle of 'common but differentiated responsibilities and capabilities',<sup>14</sup> which is central to China's position on tackling climate change. The Declaration outlined possible action on the part of emerging economies, including 'sustainable development policies and measures, an improved and strengthened clean development mechanism, the setting up of plans for the sectors that generate most pollution',<sup>15</sup> none of which China would fundamentally oppose. For these reasons, the outcome of the Summit on climate change was in keeping with China's policy priorities.

### **Objective 2: Africa**

The G8 Summit issued a specific 'Summit Statement on Sudan/Darfur'.<sup>16</sup> This Statement urged 'all sides to abide by the existing ceasefire agreements as well as their obligations established by UN Security Council resolution 1591'.<sup>17</sup> While the Statement noted that there is no military solution to the conflict, it did nonetheless declare that 'if the government of Sudan or the rebel movements continue to fail to meet their obligations, we will support appropriate action in the Security Council'.<sup>18</sup>

On the issue of Darfur, China favours a negotiated settlement and is opposed to the imposition of sanctions. This stems from the fact that China imports more than half of Sudan's oil output, and sells arms to Sudan.<sup>19</sup> While the Summit Declaration does not mention explicitly the prospect of economic sanctions, it

---

<sup>12</sup> Beijing unveils plan to tackle climate change; Nation joins global warming fight, South China Morning Post, (Hong Kong), 5 June 2007. Date of Access: 7 June 2007.

<sup>13</sup> G8 Summit Statement on Growth and Responsibility in the World Economy, G8 Summit 2007 Heiligendamm, (Heiligendamm), 7 June 2007. Date of Access: 7 June 2007. [http://www.g-8.de/nn\\_220074/Content/EN/Artikel/\\_g8-summit/anlagen/2007-06-07-qipfeldokument-wirtschaft-eng.html](http://www.g-8.de/nn_220074/Content/EN/Artikel/_g8-summit/anlagen/2007-06-07-qipfeldokument-wirtschaft-eng.html)

<sup>14</sup> G8 Summit Statement on Growth and Responsibility in the World Economy, G8 Summit 2007 Heiligendamm, (Heiligendamm), 7 June 2007. Date of Access: 7 June 2007. [http://www.g-8.de/nn\\_220074/Content/EN/Artikel/\\_g8-summit/anlagen/2007-06-07-qipfeldokument-wirtschaft-eng.html](http://www.g-8.de/nn_220074/Content/EN/Artikel/_g8-summit/anlagen/2007-06-07-qipfeldokument-wirtschaft-eng.html)

<sup>15</sup> G8 Summit Statement on Growth and Responsibility in the World Economy, G8 Summit 2007 Heiligendamm, (Heiligendamm), 7 June 2007. Date of Access: 7 June 2007. [http://www.g-8.de/nn\\_220074/Content/EN/Artikel/\\_g8-summit/anlagen/2007-06-07-qipfeldokument-wirtschaft-eng.html](http://www.g-8.de/nn_220074/Content/EN/Artikel/_g8-summit/anlagen/2007-06-07-qipfeldokument-wirtschaft-eng.html)

<sup>16</sup> G8 Summit Statement on Sudan/Darfur, G8 Summit 2007 Heiligendamm, (Heiligendamm), 8 June 2007. Date of Access: 8 June 2007. [http://www.g-8.de/nn\\_220074/Content/EN/Artikel/\\_g8-summit/anlagen/g8-summit-statement-on-sudan-darfur.html](http://www.g-8.de/nn_220074/Content/EN/Artikel/_g8-summit/anlagen/g8-summit-statement-on-sudan-darfur.html)

<sup>17</sup> G8 Summit Statement on Sudan/Darfur, G8 Summit 2007 Heiligendamm, (Heiligendamm), 8 June 2007. Date of Access: 8 June 2007. [http://www.g-8.de/nn\\_220074/Content/EN/Artikel/\\_g8-summit/anlagen/g8-summit-statement-on-sudan-darfur.html](http://www.g-8.de/nn_220074/Content/EN/Artikel/_g8-summit/anlagen/g8-summit-statement-on-sudan-darfur.html)

<sup>18</sup> G8 Summit Statement on Sudan/Darfur, G8 Summit 2007 Heiligendamm, (Heiligendamm), 8 June 2007. Date of Access: 8 June 2007. [http://www.g-8.de/nn\\_220074/Content/EN/Artikel/\\_g8-summit/anlagen/g8-summit-statement-on-sudan-darfur.html](http://www.g-8.de/nn_220074/Content/EN/Artikel/_g8-summit/anlagen/g8-summit-statement-on-sudan-darfur.html)

<sup>19</sup> Asia-Europe Meeting Serves to Flesh Out G8 Priorities, Deutsche Welle, (Bonn), 29 May 2007. Date of Access: 7 June 2007.

represents a relatively robust statement. Moreover, the Summit release of a dedicated statement on Sudan/Darfur will not have been seen as favourable to China's position.

### **Objective 3: Imbalances in the Global Economy**

The United States and European Union want China to deflate trade surpluses to help rebalance global growth. However, while China has pledged to do more to reduce imports and reduce its economy's reliance on exports, it has maintained that it will reform its foreign exchange regime at its own pace and that a stronger Yuan alone cannot resolve such economic imbalances.

In this context, the absence of a specific reference in the Summit documents to the need for China to appreciate the Yuan is in keeping with China's objectives at the Summit. The Summit Declaration on 'Growth and Responsibility in the World Economy' encouraged 'a contribution from the emerging market countries towards reducing imbalances'<sup>20</sup> which is in reference to China, but did not mention China by name, or actively call on China to take action.

### **Objective 4: Combating Piracy**

Piracy is often predominantly carried out in emerging economies such as China, and for this reason China seeks a gradualist approach to this issue.<sup>21 22</sup> The inclusion of a section in the Summit Declaration on 'Intellectual Property Protection as the Backbone of Innovation' can be seen as counter to China's interests.<sup>23</sup> In the Declaration, the G8 strongly reaffirmed its commitment to combating piracy and counterfeiting and agreed to strengthen co-operation on the matter among the G8 and other countries, 'particularly the major emerging economies.'<sup>24</sup> Furthermore, one of the strands of the Heiligendamm Process comprises 'Promoting Research and Innovation,' which includes protection of intellectual property rights.<sup>25</sup> Therefore, the issue of piracy and counterfeiting received greater attention at the Summit than China would have wished.

### **Objective 5: Heiligendamm Process**

China did not explicitly outline a position on the Heiligendamm Process in advance of the Summit. China called for the Process to be conducted in a spirit of equality,<sup>26</sup> which was represented – nominally at least – in the Summit Statement

---

<sup>20</sup> G8 Summit Statement on Growth and Responsibility in the World Economy, G8 Summit 2007 Heiligendamm, (Heiligendamm), 7 June 2007. Date of Access: 7 June 2007. [http://www.g-8.de/nn\\_220074/Content/EN/Artikel/\\_g8-summit/anlagen/2007-06-07-gipfeldokument-wirtschaft-eng.html](http://www.g-8.de/nn_220074/Content/EN/Artikel/_g8-summit/anlagen/2007-06-07-gipfeldokument-wirtschaft-eng.html)

<sup>21</sup> China's president prepares climate change policy before President Hu's G-8 trip, International Herald Tribune, (Washington), 31 May 2007. Date of Access: <http://www.ihf.com/articles/ap/2007/05/31/asia/AS-GEN-China-G8.php>

<sup>22</sup> G8 not platform for exerting pressure, Government of the People's Republic of China, (Beijing), 4 June 2007. Date of Access: 7 June 2007. [http://www.gov.cn/misc/2007-06/04/content\\_636224.htm](http://www.gov.cn/misc/2007-06/04/content_636224.htm)

<sup>23</sup> G8 Summit Statement on Growth and Responsibility in the World Economy, G8 Summit 2007 Heiligendamm, (Heiligendamm), 7 June 2007. Date of Access: 7 June 2007. [http://www.g-8.de/nn\\_220074/Content/EN/Artikel/\\_g8-summit/anlagen/2007-06-07-gipfeldokument-wirtschaft-eng.html](http://www.g-8.de/nn_220074/Content/EN/Artikel/_g8-summit/anlagen/2007-06-07-gipfeldokument-wirtschaft-eng.html)

<sup>24</sup> G8 Summit Statement on Growth and Responsibility in the World Economy, G8 Summit 2007 Heiligendamm, (Heiligendamm), 7 June 2007. Date of Access: 7 June 2007. [http://www.g-8.de/nn\\_220074/Content/EN/Artikel/\\_g8-summit/anlagen/2007-06-07-gipfeldokument-wirtschaft-eng.html](http://www.g-8.de/nn_220074/Content/EN/Artikel/_g8-summit/anlagen/2007-06-07-gipfeldokument-wirtschaft-eng.html)

<sup>25</sup> G8 Summit Statement on Growth and Responsibility in the World Economy, G8 Summit 2007 Heiligendamm, (Heiligendamm), 7 June 2007. Date of Access: 7 June 2007. [http://www.g-8.de/nn\\_220074/Content/EN/Artikel/\\_g8-summit/anlagen/2007-06-07-gipfeldokument-wirtschaft-eng.html](http://www.g-8.de/nn_220074/Content/EN/Artikel/_g8-summit/anlagen/2007-06-07-gipfeldokument-wirtschaft-eng.html)

<sup>26</sup> G8 not platform for exerting pressure, Government of the People's Republic of China, (Beijing), 4 June 2007. Date of Access: 7 June 2007. [http://www.gov.cn/misc/2007-06/04/content\\_636224.htm](http://www.gov.cn/misc/2007-06/04/content_636224.htm)

which described the Process as 'an important step towards an equal and enduring partnership.'<sup>27</sup> Others, however, have questioned whether this is really the case.<sup>28</sup>

In terms of substance, the inclusion of the theme of 'Promoting Research and Innovation,' and within it the mention of intellectual property rights protection as one of the strands of the Process, is not in keeping with China's priorities.<sup>29</sup> However, the section on 'Fighting Climate Change' contains no targets and makes reference to the principle of 'common but differentiated responsibilities and respective capabilities,' with the G8 and Outreach 5 declaring their commitment to 'contribute their fair share to tackle climate change,' both statements in keeping with China's perspective on climate change.<sup>30</sup>

Diarmuid Torney  
G8 Research Group - Oxford

---

<sup>27</sup> Joint Statement by the German G8 Presidency and the Heads of State and/or Government of Brazil, China, India, Mexico and South Africa on the occasion of the G8 Summit in Heiligendamm, Germany, 8 June 2007, G8 Summit 2007 Heiligendamm, (Heiligendamm), 7 June 2007. Date of Access: 7 June 2007. [http://www.g-8.de/nr\\_220074/Content/EN/Artikel/\\_q8-summit/anlagen/o5-erklaerung-en.html](http://www.g-8.de/nr_220074/Content/EN/Artikel/_q8-summit/anlagen/o5-erklaerung-en.html)

<sup>28</sup> Indian PM asks why he turns up, The Australian, 11 June 2007.

<sup>29</sup> Joint Statement by the German G8 Presidency and the Heads of State and/or Government of Brazil, China, India, Mexico and South Africa on the occasion of the G8 Summit in Heiligendamm, Germany, 8 June 2007, G8 Summit 2007 Heiligendamm, (Heiligendamm), 7 June 2007. Date of Access: 7 June 2007. [http://www.g-8.de/nr\\_220074/Content/EN/Artikel/\\_q8-summit/anlagen/o5-erklaerung-en.html](http://www.g-8.de/nr_220074/Content/EN/Artikel/_q8-summit/anlagen/o5-erklaerung-en.html)

<sup>30</sup> Joint Statement by the German G8 Presidency and the Heads of State and/or Government of Brazil, China, India, Mexico and South Africa on the occasion of the G8 Summit in Heiligendamm, Germany, 8 June 2007, G8 Summit 2007 Heiligendamm, (Heiligendamm), 7 June 2007. Date of Access: 7 June 2007. [http://www.g-8.de/nr\\_220074/Content/EN/Artikel/\\_q8-summit/anlagen/o5-erklaerung-en.html](http://www.g-8.de/nr_220074/Content/EN/Artikel/_q8-summit/anlagen/o5-erklaerung-en.html)

## India

### **Objective 1: Climate Change**

As expected the issue of Climate Change took centre stage at the Heiligendamm Summit. On this topic there was general agreement among the Outreach 5 nations, and President Hu Jintao agreed with Indian Prime Minister Manmohan Singh's notion of 'common but differentiated responsibility'.<sup>31</sup> India and China believe that the responsibility for cutting greenhouse emissions lies with those historically responsible for creating them.

The G8 leaders agreed to negotiate a new post-Kyoto climate change deal within two years. After strong lobbying from EU leaders, President Bush agreed to 'seriously consider' a proposal that would result in a 50% cut in carbon emissions by 2050, but made it clear that US involvement depended on India and China being included in any agreement.<sup>32</sup> President Bush was quoted as saying, "I view our role as a bridge between people in Europe and others and India and China. And if you want them at the table, it's important to give them an opportunity to set an international goal."<sup>33</sup>

The G-8 declaration said the emerging economies needed "to address the increase in their emissions by reducing the carbon intensity of their economic development."<sup>34</sup> The press in India eagerly noted therefore calls for "substantial contributions to upgrade technology and disseminate clean production processes to the poor part of the world, including the emerging economies."<sup>35</sup>

If India's objective on climate change was to garner support for the notion of 'differentiated responsibility' then the Summit was clearly a success. We will now have to wait for the next round of talks at the upcoming UN conference in Bali, Indonesia, to see just how far Prime Minister Singh will push the point, or whether he will accept India's growing joint responsibility for tackling the issue.

### **Objective 2: Trade Talks**

As expected the leaders at the Heiligendamm Summit called for the Doha round of trade talks to be brought to a swift and successful conclusion. Little success was actually announced at the Summit however, as details are to be thrashed out by the G20 group of developing nations at a meeting in Geneva starting on 11 June. This is ahead of global talks the following week in Potsdam where the United States, the European Union, India and Brazil will meet to try and find a deal that will win the support of the World Trade Organization's 150 members.

Agriculture remains the stumbling block; nations such as India say that western subsidies artificially reduce prices of crops, making it more difficult for developing nations to sell their own goods and produce. In reply to this line of argument, the US said in 2005 that it would cap farmer subsidies at USD 22 billion, but Brazil and India argue that the payments need to be at least half of this level, and Indian Trade Minister Kamal Nath said that the US had "to deliver".<sup>36</sup>

---

<sup>31</sup> Border dispute threatens an embryonic alliance, South China Morning Post, (Hong Kong), 14 June 2007.

<sup>32</sup> Bush agrees to cut in CO<sub>2</sub>, with strings, The Guardian, (London), 15 June 2007.

<sup>33</sup> Bush agrees to cut in CO<sub>2</sub>, with strings, The Guardian, (London), 15 June 2007.

<sup>34</sup> Bush agrees to cut in CO<sub>2</sub>, with strings, The Guardian, (London), 15 June 2007.

<sup>35</sup> A new ambience, Business Line, The Hindu, (New Delhi), 11 June 2007.

<sup>36</sup> Poorer nations in trade talks vow, BBC Website, (London), 11 June 2007, Date of Access: 12 June 2007. <http://news.bbc.co.uk/1/hi/business/6742611.stm>



Frustration over the continued delay to the stalled round is palpable. This is especially true in the more liberal western press: One London newspaper ventured that "by no stretch of the imagination is what is on offer a development round - it is the usual mercantilist stitch-up with the great powers seeking to extract as many concessions as they can while giving the bare minimum in return."<sup>37</sup>

Indian Trade Minister Nath countered that the Doha round was aimed primarily at using trade to help poor countries. "We are united in our resolve to attain the goals of this development round," he told journalists before adding, "The content of this round is more important than the timeline."<sup>38</sup> This was echoed by the World Trade Organization's top official Pascal Lamy who said at the WTO meeting in Geneva that members were hoping to finish the talks by the "end of this year, beginning of next year."<sup>39</sup> This already represents creep on the year-end goal set at the G8 Summit.

All this seems very familiar; last year at St. Petersburg the leaders called on Lamy to deliver a deal that would reduce farm subsidies and lower tariffs within a month. "But a week later, the entire negotiations came to a halt after a series of acrimonious meetings involving top negotiators from the United States, the European Union, Australia, Brazil, India and Japan."<sup>40</sup>

The outcome of the negotiations in Potsdam will determine whether India achieves its objectives with regard to the trade talks, but in the mean time, at least talks are ongoing.

### **Objective 3: Nuclear Power Agreement**

In an unexpected proposal at the Summit, India offered to set up a safeguard facility for reprocessing of atomic fuel in an effort to restart discussions over its nuclear deal with the USA. As the Indian Prime Minister met President Bush at the Summit, "officials of the two countries discussed the proposal under which India will negotiate higher level safeguards with the IAEA. National Security adviser. Mr MK Narayanan, and his US counterpart, Mr Stephen Hadley, held deliberations on the proposal for establishing a dedicated national facility for reprocessing of spent nuclear fuel."<sup>41</sup> This appears to have quelled some US fears over reprocessing rights.

Differences still undoubtedly remain over issues such as the perpetuity of fuel supplies and the possibility that India might conduct another atomic test. The original sticking point may not be fully laid to rest: A week following the Summit India's External Affairs Minister, Pranab Mukherjee, said that "The United States must drop its objections to India reprocessing spent nuclear fuel," but then

---

<sup>37</sup> We still haven't found what we're looking for: With little new aid and a lot of familiar rhetoric, the G8's promises are looking empty, *The Guardian*, (London), 11 June 2007.

<sup>38</sup> Developing countries stand by key demands in WTO talks, *Agence France Presse*, (Paris), 11 June 2007.

<sup>39</sup> WTO chief says less comprehensive trade pact could also be good, *Associated Press Newswires*, (Geneva), 13 June 2007.

<sup>40</sup> WTO hopes G-8 support for trade talks produces better results, *International Herald Tribune*, (Geneva), 6 June 2007. Date of Access: 13 June 2007.

<http://www.ihf.com/articles/2007/06/06/business/trade.php>

<sup>41</sup> Political Push Needed, *The Statesman*, (New Delhi), 18 June 2007. Date of Access: 18 June 2007.

[http://www.lexisnexis.com/uk/business/results/docview/docview.do?risb=21\\_T1668300833&format=GNBFI&sort=BOOLEAN&startDocNo=1&resultsUrlKey=29\\_T1668300836&cisb=22\\_T1668300835&treeMax=true&treeWidth=0&csi=227171&docNo=6](http://www.lexisnexis.com/uk/business/results/docview/docview.do?risb=21_T1668300833&format=GNBFI&sort=BOOLEAN&startDocNo=1&resultsUrlKey=29_T1668300836&cisb=22_T1668300835&treeMax=true&treeWidth=0&csi=227171&docNo=6)

added, "...the reprocessing issue should not stand in the way of a landmark nuclear energy pact with the United States."<sup>42</sup>

It appears therefore in a brief meeting that Prime Minister Singh had with President Bush has produced some progress; "Manmohan thought the atmospherics of the meeting was 'positive' and though 'tough negotiations' lay ahead, the US President felt a certain sense of ownership of the nuclear deal."<sup>43</sup>

It must be seen as a success for both parties to have used this opportunity to push forward an objective so firmly in both their interests. It remains to be seen however what the next step will be, but both can now expect discussions to begin again soon.

#### **Objective 4: The African Agenda**

India did not have specific objectives with regard to Africa going into the Heiligendamm Summit. The G8 leaders reaffirmed their Gleneagles promises and reiterated their commitment to the Millennium Development Goals. India will have noted the proposed 2009 review of the progress made on topics such as 'Promoting cross border investment to our mutual benefit, Promoting Research and Innovation, Development, particularly in Africa;<sup>44</sup> especially in light of the growing trade relationship between Africa and India.

#### **Objective 5: The Heiligendamm Process**

Following much speculation in the international press, at a meeting of the Outreach 5 leaders, the Brazilian President Lula da Silva took the lead in proposing an alternative summit for the developing nations.

However Prime Minister Singh "isn't particularly enthused about a separate G-5 forum as a 'developing nations' summit,"<sup>45</sup> and the idea was "received in a non-committal manner by Singh, Chinese president Hu Jintao and South African president Thabo Mbeki." According to the Times of India, whilst "there was a shared perception that presence of O-5 at the summit was little more than five countries being invited to the same party where the script had already been written, ...and despite apparent commonalities, emergent nations are also competitors and 'brotherhood of the developing' may not always be practicable."<sup>46</sup>

The Prime Minister was concerned about membership of the group, and questions its eventual membership. India is a committed and outspoken member of the G20, and therefore may see President Lula's suggestions as simply muddying the water. Prime Minister Singh did however quote a statement by Jawaharlal Nehru that "developing countries were partners and not petitioners before the chanceries of the world."<sup>47</sup>

---

<sup>42</sup> India demands right to process spent fuel, United Press International, (New Delhi), 10 June 2007. <http://www.sciencedaily.com/upi/?feed=TopNews&article=UPI-1-20070610-11093000-bc-india-nukes.xml>

<sup>43</sup> The Great Bureaubabble, India Today, (New Delhi) 18 June 2007.

<sup>44</sup> Joint Statement by the German G8 Presidency and the Heads of State and/or Government of Brazil, China, India, Mexico and South Africa, Summit 2007, (Heiligendamm), 8 June 2007. Date of Access: 8 June 2007. [http://www.g-8.de/nsc\\_true/Content/EN/Artikel/\\_\\_\\_g8-summit/anlagen/o5-erklaerung-en,templateId=raw,property=publicationFile.pdf/o5-erklaerung-en](http://www.g-8.de/nsc_true/Content/EN/Artikel/___g8-summit/anlagen/o5-erklaerung-en,templateId=raw,property=publicationFile.pdf/o5-erklaerung-en)

<sup>45</sup> PM fears G-5 may become yet another forum, The Times of India, (New Delhi), 12 June 2007.

<sup>46</sup> PM fears G-5 may become yet another forum, The Times of India, (New Delhi), 12 June 2007.

<sup>47</sup> Brazil proposes G5 summit, The Hindu, (New Delhi), 11 June 2007.

The agenda and format for this alternative summit remains unclear, and a decision on this has been deferred. However, the leaders “agreed to instruct their Foreign Ministers to meet this fall on the sidelines of the U.N. General Assembly to ‘coordinate their positions’ on issues of common interest.”<sup>48</sup>

India will not however miss the next G8 Summit in Hokkaido, Japan. “India and Japan are in the process of building a partnership with strong mutual convergences, and it would simply not do for India to skip the summit to make the political point that the G-8 is not the only show in town.”<sup>49</sup>

Tim Myatt  
G8 Research Group – Oxford

---

<sup>48</sup> Brazil proposes G5 summit, The Hindu, (New Delhi), 11 June 2007.

<sup>49</sup> PM fears G-5 may become yet another forum, The Times of India, (New Delhi), 12 June 2007.

## Mexico

### **Objective 1: Trade**

Mexico obtained partial success with the outcome of trade negotiations at the Heiligendamm Summit. With regard to the Doha Development Round, a political push occurred with the G8's call for its resolution by the end of 2007.<sup>50</sup> The leaders also pledged for increased flexibility in the World Trade Negotiations to speed up a Doha resolution.<sup>51</sup>

### **Objective 2: Climate Change**

Climate change-related outcomes of the Summit were not a complete success from a Mexican perspective; although Mexico's pre-Summit hopes were not totally clear. The Mexican government was supportive of President Bush's proposal as an alternative to the UN process, and since the G8 decided to maintain climate change policy under the UN framework, Heiligendamm negotiations were not in line with Mexico's priority. With that said however, Mexico did not specifically oppose the UN forum for post 2012 climate negotiations. G8 heads of state did reiterate the principle of common but differentiated responsibility in reaffirming the need for industrialized countries to take the lead in climate change mitigation and adaptation.<sup>52</sup> Other Summit agreements to increase renewable energy development and technology transfer favour the Mexican position.

### **Objective 3: Security**

There were no specific talks in Heiligendamm on drug trafficking and organized crime which were key priorities for Mexico; therefore, this objective was unsuccessful.

### **Objective 4: Heiligendamm Process**

The declaration by the G8 and the Outreach 5 countries identified 4 main issues to be included in the continued Heiligendamm Process dialogue, namely investment, research and innovation, development (focused on Africa), and knowledge sharing on energy efficiency.<sup>53</sup> None of these were priority issues for Mexico leading up to the Summit, although energy efficiency is a specific aspect of climate change mitigation. The decision by the G8 to use the OECD as a platform for the Heiligendamm Process<sup>54</sup> is likely to be viewed as neutral by Mexico. In addition, according to the Economist, "it was not clear, after meetings

---

<sup>50</sup> G8 Trade Declaration, G8 Summit 2007 Heiligendamm, (Heiligendamm), 8 June 2007. Date of Access: 8 June 2007. [http://www.g-8.de/Content/EN/Artikel/\\_q8-summit/anlagen/trade.property=publicationFile.pdf](http://www.g-8.de/Content/EN/Artikel/_q8-summit/anlagen/trade.property=publicationFile.pdf)

<sup>51</sup> G8 Trade Declaration, G8 Summit 2007 Heiligendamm, (Heiligendamm), 8 June 2007. Date of Access: 8 June 2007. [http://www.g-8.de/Content/EN/Artikel/\\_q8-summit/anlagen/trade.property=publicationFile.pdf](http://www.g-8.de/Content/EN/Artikel/_q8-summit/anlagen/trade.property=publicationFile.pdf)

<sup>52</sup> Growth and responsibility in the world economy, G8 Summit 2007 Heiligendamm, (Heiligendamm), 8 June 2007. Date of Access: 8 June 2007. [http://www.g-8.de/Content/EN/Artikel/\\_q8-summit/anlagen/2007-06-07-qipfeldokument-wirtschaft-eng.property=publicationFile.pdf](http://www.g-8.de/Content/EN/Artikel/_q8-summit/anlagen/2007-06-07-qipfeldokument-wirtschaft-eng.property=publicationFile.pdf)

<sup>53</sup> Joint declaration by the German G8 Presidency and Heads of State and/or Government of Brazil, China, India, Mexico and South Africa, G8 Summit 2007 Heiligendamm, (Heiligendamm), 8 June 2007. Date of Access: 8 June 2007. [http://www.g-8.de/Content/EN/Artikel/\\_q8-summit/anlagen/o5-erklaerung-en.property=publicationFile.pdf](http://www.g-8.de/Content/EN/Artikel/_q8-summit/anlagen/o5-erklaerung-en.property=publicationFile.pdf)

<sup>54</sup> Growth and responsibility in the world economy, G8 Summit 2007 Heiligendamm, (Heiligendamm), 8 June 2007. Date of Access: 8 June 2007. [http://www.g-8.de/Content/EN/Artikel/\\_q8-summit/anlagen/2007-06-07-qipfeldokument-wirtschaft-eng.property=publicationFile.pdf](http://www.g-8.de/Content/EN/Artikel/_q8-summit/anlagen/2007-06-07-qipfeldokument-wirtschaft-eng.property=publicationFile.pdf)

of this quasi G13, whether the Heiligendamm Process would catch on.”<sup>55</sup>  
Therefore, this objective was neither a huge success nor a dire failure for Mexico.

Carlos Sayao  
G8 Research Group - Oxford

---

<sup>55</sup> Friendly environment, the Economist Online, (Heiligendamm), 8 June 2007. Date of Access: 8 June 2007. [http://www.economist.com/daily/news/displaystory.cfm?story\\_id=9320677&fsrc=nwl](http://www.economist.com/daily/news/displaystory.cfm?story_id=9320677&fsrc=nwl)

## South Africa

### **Objective 1: Confirmation of Gleneagles Aid Commitments and Increase of Aid**

South Africa achieved partial success with regard to aid commitments. G8 governments reaffirmed commitments to promises made in Gleneagles<sup>56</sup> and reiterated support for the Millennium Development Goals. They agreed to continue debt relief of up to USD 60 billion and increase Official Development Assistance to Africa by USD 25 billion a year by 2010. The G8 governments also agreed on a further set of measures to promote sustainable development, focusing on promoting growth and investment, peace and security, good governance, strengthening of health systems and assisting the fight against infectious diseases.<sup>57</sup>

However, declarations made during Heiligendamm have been subject to significant criticism. The World Bank's newly appointed Vice-President for Africa, Obiageli Ezekwesili, commented that Summit decisions had not met the continent's funding expectations.<sup>58</sup> While additional aid was promised prior to the Summit, little new money was added in Heiligendamm. President Mbeki may therefore be disappointed with outcome of the Summit. Furthermore, it is unclear if G8 countries will fulfill their promises: Based on growth in aid spending trends between 2004 and 2006, OXFAM estimates that only USD 27 billion of the USD 50 billion promised at Gleneagles will be forthcoming.<sup>59</sup> As Senegal's President Abdoulaye Wade noted, "The right verbiage is in place for dynamic change in Africa, but the challenge is now to move from talk to action."<sup>60</sup>

Future monitoring will be critical to ensure that commitments are realized. World Bank Vice-President Ezekwesili continues, "Yet it is not late. We need to say that the flows that should happen, should begin to happen. Nobody doubts the commitment of the G-8. What they now want to see is a clear demonstration of that commitment. The process of letting the action match the word is going to be crucial in the next couple of months for the continent. The G8 must come through on its promise, we need to see the cheques written."<sup>61</sup> The African Union (AU) has called for the establishment of an independent body to ensure that pledges to Africa made by members of the G8 countries are honoured on time.<sup>62</sup>

### **Objective 2: HIV/AIDS Programs**

Similarly, South Africa obtained partial success with regard to the fight against HIV/AIDS. G8 countries promised to "scale up efforts to contributing towards the goal of universal access to comprehensive HIV/AIDS prevention programs,

---

<sup>56</sup> Chairs Summary, G8 Summit 2007 Heiligendamm, (Heiligendamm), 8 June 2007. Date of Access: 17 June 2007. [http://www.g8.de/nsc\\_true/Content/EN/Artikel/\\_q8-summit/anlagen/chairssummary\\_templateId=raw,property=publicationFile.pdf/chairs-summary](http://www.g8.de/nsc_true/Content/EN/Artikel/_q8-summit/anlagen/chairssummary_templateId=raw,property=publicationFile.pdf/chairs-summary)

<sup>57</sup> Growth and Responsibility in Africa, G8 Summit 2007 Heiligendamm, (Heiligendamm), 8 June 2007 Date of Access: June 17. [http://www.g8.de/nsc\\_true/Content/DE/Artikel/G8Gipfel/Anlage/Abschlusserklaerung\\_C3\\_A4rungen/WV-afrika-en\\_templateId=raw,property=publicationFile.pdf/WV-afrika-en](http://www.g8.de/nsc_true/Content/DE/Artikel/G8Gipfel/Anlage/Abschlusserklaerung_C3_A4rungen/WV-afrika-en_templateId=raw,property=publicationFile.pdf/WV-afrika-en)

<sup>58</sup> Ensor, L. World Bank Executive Hopes for More Funds, All Africa, 14 June 2007

<sup>59</sup> G8 must honour its commitments, Financial Mail, 15 June 2007

<sup>60</sup> The Naked Truth About Africa, Africa News, 18 June 2007. Date of Access: 18 June 2007. [http://www.lexisnexis.com/uk/business/results/docview/docview.do?risb=21\\_T1668300833&format=GNBFI&sort=BOOLEAN&startDocNo=1&resultsUrlKey=29\\_T1668300836&cisb=22\\_T1668300835&treeMax=true&treeWidth=0&csi=8320&docNo=2](http://www.lexisnexis.com/uk/business/results/docview/docview.do?risb=21_T1668300833&format=GNBFI&sort=BOOLEAN&startDocNo=1&resultsUrlKey=29_T1668300836&cisb=22_T1668300835&treeMax=true&treeWidth=0&csi=8320&docNo=2)

<sup>61</sup> Ensor, L. World Bank Executive Hopes for More Funds, All Africa, 14 June 2007.

<sup>62</sup> Ngandwe, T. AU Holds G8 to Account, All Africa, 15 June 2007

treatment and care and support by 2010 for all.”<sup>63</sup> The G8 members announced they would provide at least USD 60 billion towards universal access to HIV/AIDS prevention and treatment, as well assisting the programs for malaria and tuberculosis. G8 governments pledged to work with donors to replenish the Global Fund to Fight AIDS, Tuberculosis and Malaria.

Again these outcomes have been criticised. OXFAM claims that the USD 60 billion for HIV/AIDS, TB and malaria includes aid which has already been pledged as part of existing aid packages, and leaves a pledge of just USD 3 billion in new aid.<sup>64</sup> Stephen Lewis, former UN special envoy for HIV/AIDS in Africa, has complained that there is no timeline for the funding. Lewis stated that countries are spending USD120 billion a year on the conflicts in Iraq and Afghanistan, but can't find half that amount to deal with HIV/AIDS.<sup>65</sup>

Medical humanitarian organisation Médecins sans Frontières (MSF) criticised the G8 leaders, claiming that a separate agreement on intellectual property protection will have major negative impact on access to affordable drugs in developing countries. MSF claims that antiretrovirals are likely to be among the medicines worst affected by the Declaration on Innovation and Intellectual Property, which demands higher levels of intellectual property protection in emerging economies.<sup>66</sup>

Given these criticisms, one positive result for the Summit was a commitment by the G8 to begin to monitor the actual implementation of past promises related to health. The G8 president's summary statement said this monitoring report would be submitted to the Global Fund against AIDS, Malaria and Tuberculosis in September. This may help clarify controversy over the disputed USD 60 billion.<sup>67</sup>

### **Objective 3: Trade**

South Africa will be pleased that the G8 countries stressed 'the need for achieving an ambitious, balanced and comprehensive agreement on the Doha Development Agenda' and that 'they remain fully committed to ...helping developing countries to better integrate into the multilateral trading system.'<sup>68</sup> However, the outcome was not a success as real progress seems unlikely. Developed and developing countries continue to disagree over the degree of state support for agricultural markets and import protection. After the Summit, representatives from the G20 countries, of which South Africa is a member, vowed to remain resolute on key principles in deadlocked global trade talks. In particular, they underlined that they want more concessions from the United States.<sup>69</sup>

### **Objective 4: Heiligendamm Process**

South Africa will be pleased with the outcome of discussion on the Heiligendamm Process. One of the 4 main issues to be included in the topic driven dialogues

---

<sup>63</sup> Growth and Responsibility in Africa, G8 Summit 2007 Heiligendamm, (Heiligendamm), 8 June 2007. Date of Access: 14 June 2004. [http://www.g-8.de/nsc\\_true/Content/DE/Artikel/G8Gipfel/Anlage/Abschlusserkl\\_C3\\_A4rungen/WV-afrika-en.templateId=raw,property=publicationFile.pdf/WV-afrika-en](http://www.g-8.de/nsc_true/Content/DE/Artikel/G8Gipfel/Anlage/Abschlusserkl_C3_A4rungen/WV-afrika-en.templateId=raw,property=publicationFile.pdf/WV-afrika-en)

<sup>64</sup> G8 countries \$27bn short on pledge, The Journal, 14 June 2007

<sup>65</sup> AIDS Envoy-Slams-G8, Broadcast News, 11 June 2007

<sup>66</sup> Boje, V. G8 slammed for limiting ARV access, Pretoria News, 14 June 2007

<sup>67</sup> Stent, M. Rules needed to sort perennial fallacies from facts in G8's promises of aid, Cape Times, 11 June 2007

<sup>68</sup> G8 Trade Declaration, G8 Summit 2007 Heiligendamm, (Heiligendamm), 8 June 2007. Date of Access: 8 June 2007. [http://www.g-8.de/Content/EN/Artikel/\\_q8-summit/anlagen/trade,property=publicationFile.pdf](http://www.g-8.de/Content/EN/Artikel/_q8-summit/anlagen/trade,property=publicationFile.pdf)

<sup>69</sup> Developing countries stand by key demands in WTO talks, Agence France Presse, 11 June 2007

relates specifically to Africa ('defining common responsibilities with special regard to Africa').<sup>70</sup> Therefore South Africa will remain a key player in future Outreach 5 dialogues.

### **Objective 5: Assistance with Climate Mitigation and Adaptation**

South Africa will also be satisfied with the outcome of climate discussions at the Summit. G8 countries did not propose specific emissions targets for the Outreach 5, rather reaffirming the principle of 'common but differentiated responsibilities' and inviting emerging economies to reduce emissions. The Summit may yield some assistance with climate mitigation and adaptation. G8 countries stressed that technology is "a key to mastering climate change". They agreed to "stimulate global development, commercialisation, deployment and access to technologies, promote major emerging and developing economies participation in international technology partnerships and collaboration".<sup>71</sup> Furthermore, G8 countries emphasized their 'willingness to continue to enhance cooperation with and support for developing countries in adapting to climate change and enhancing their resilience to climate variability, in particular those most vulnerable to the negative impacts of climate change.'<sup>72</sup> Particularly vulnerable to climate change, African countries may be the first to benefit from such promises, provided they are made real.

### **Objective 6: Darfur**

The AU's efforts in Darfur received endorsement by the G8. G8 countries underlined that "there is no military solution to the conflict in Darfur and fully supported the efforts of the Special Envoys of the United Nations and the African Union."<sup>73</sup> The G8 Summit Statement on Darfur outlines a prominent role for the AU in conflict resolution in Sudan. South Africa will see this as a success.

Zinta Zommers  
G8 Research Group - Oxford

---

<sup>70</sup> Joint declaration by the German G8 Presidency and Heads of State and/or Government of Brazil, China, India, Mexico and South Africa, G8 Summit 2007 Heiligendamm, (Heiligendamm), 8 June 2007. Date of Access: 8 June 2007. [http://www.g-8.de/Content/EN/Artikel/\\_g8-summit/anlagen/o5-erklaerung-en,property=publicationFile.pdf](http://www.g-8.de/Content/EN/Artikel/_g8-summit/anlagen/o5-erklaerung-en,property=publicationFile.pdf)

<sup>71</sup> Growth and responsibility in the world economy, G8 Summit 2007 Heiligendamm, (Heiligendamm), 8 June 2007. Date of Access: 8 June 2007. [http://www.g-8.de/Content/EN/Artikel/\\_g8-summit/anlagen/2007-06-07-gipfeldokument-wirtschaft-eng,property=publicationFile.pdf](http://www.g-8.de/Content/EN/Artikel/_g8-summit/anlagen/2007-06-07-gipfeldokument-wirtschaft-eng,property=publicationFile.pdf)

<sup>72</sup> Growth and responsibility in the world economy, G8 Summit 2007 Heiligendamm, (Heiligendamm), 8 June 2007. Date of Access: 8 June 2007. [http://www.g-8.de/Content/EN/Artikel/\\_g8-summit/anlagen/2007-06-07-gipfeldokument-wirtschaft-eng,property=publicationFile.pdf](http://www.g-8.de/Content/EN/Artikel/_g8-summit/anlagen/2007-06-07-gipfeldokument-wirtschaft-eng,property=publicationFile.pdf)

<sup>73</sup> G8 Summit Statement on Sudan Darfur, G8 Summit 2007 Heiligendamm, (Heiligendamm), 8 June 2007. Date of Access: 18 June 2007. [http://www.g-8.de/nsc\\_true/Content/EN/Artikel/\\_g8-summit/anlagen/g8-summit-statement-on-sudan-darfur,templateId=raw,property=publicationFile.pdf/g8-summit-statement-on-sudan-darfur](http://www.g-8.de/nsc_true/Content/EN/Artikel/_g8-summit/anlagen/g8-summit-statement-on-sudan-darfur,templateId=raw,property=publicationFile.pdf/g8-summit-statement-on-sudan-darfur)