

G8

Hokkaido Toyako Summit Leaders Declaration

Hokkaido Toyako, 8 July 2008 World Economy

Global Growth

1. We remain positive about the long-term resilience of our economies and future global economic growth. Emerging market economies are still growing strongly though our growth has moderated. However, the world economy is now facing uncertainty and downside risks persist. Among others, we express our strong concern about elevated commodity prices, especially of oil and food, since they pose a serious challenge to stable growth worldwide, have serious implications for the most vulnerable, and increase global inflationary pressure. We are determined to continuously take appropriate actions, individually and collectively, to ensure stability and growth in our economies and globally.

Financial market conditions have improved somewhat in the past few months. But serious strains still exist. While good progress has been made in implementing the recommendations by the Financial Stability Forum (FSF) in April, we urge private-sector players, national supervisory authorities and international bodies to rapidly implement all FSF recommendations to strengthen resilience of the financial system. We underscore the importance of implementing the FSF report's recommendations, as set out by the G8 Finance Ministers' Statement in Osaka.

2. We are mindful of the inter-related nature of the issues surrounding the world economy. We remain committed to promoting a smooth adjustment of global

imbalances through sound macroeconomic management and structural policies in our countries as well as in emerging economies and oil producing countries. In some emerging economies with large and growing current account surpluses, it is crucial that their effective exchange rates move so that necessary adjustment will occur. We will promote continued consultation with our partner countries.

3. Globalization is a key driver for global economic growth and strong, prosperous economies, supported by shared values of political democracy, economic freedom and accountable institutions. Globalization and open markets offer great opportunities for our societies, emerging economies and developing countries. We are strongly committed to use these opportunities for the benefit of our citizens and global growth. At the same time, we will address various political, economic and social challenges for extending globalization's benefits to all.

4. We invite international organizations, in particular the World Bank, the International Monetary Fund (IMF), the World Trade Organization (WTO), the International Labor Organization (ILO) and the Organisation for Economic Co-operation and Development (OECD), to enhance their cooperation and to improve coherence.

Trade and Investment

5. We will resist protectionist pressures against international trade and investment in all its manifestations.

A successful conclusion of an ambitious, balanced and comprehensive WTO Doha agreement is critical to economic growth and development. Given the crucial stage of negotiations, we reiterate our determination to work as a matter of urgency toward the conclusion of the negotiations and call on all WTO Members to make substantial contributions with a view to establishing modalities for Agriculture and NAMA (Non-Agricultural Market Access) and achieving positive and tangible results

on Services. We welcome the convening of a ministerial meeting starting on 21 July. We also support the holding of a Signaling Conference on Trade in Services on the same occasion.

For the purpose of striking an overall balance, we stress the need for making progress and delivering meaningful outcomes in all the areas within the single undertaking.

6. Open trade and investment policies strengthen economies. All countries should take steps to develop, maintain and promote regimes that welcome foreign investment, guarantee non-discriminatory treatment for foreign investment, and ensure freedom to transfer capital and returns from investment. Any foreign investment restrictions should be very limited, focusing primarily on national security concerns, and should adhere to the principles of transparency and predictability, proportionality, and accountability. Furthermore, we note the importance of high standards of investment protection in international agreements including fair and equitable treatment, prompt, adequate and effective compensation in the event of expropriation, and access to international arbitration to resolve disputes. We are equally committed to high liberalization standards, such as national treatment and most-favored-nation treatment, in bilateral agreements in relation to investment.

7. Open and competitive capital markets can promote economic growth. We encourage actions by financial markets regulators through various approaches that can facilitate cross-border capital markets services, including through the ongoing discussion of mutual recognition of comparable securities regimes.

8. Sovereign wealth funds (SWFs) are increasingly important participants in the world economy and we welcome recent commitments by some SWFs to greater transparency. We encourage the work of the IMF and the OECD to identify best

practices for SWFs and recipient countries respectively, and in this context, welcome the Declaration on Sovereign Wealth Funds and Recipient Country Policies at the OECD Ministerial Council Meeting.

9. Reaffirming our Heiligendamm commitments, we will promote Corporate Social Responsibility (CSR) including through encouragement of voluntary adherence to the relevant international instruments, standards and principles by companies from all countries. We recognize and commend efforts by private businesses for undertaking socially responsible investments. We will encourage good corporate governance practices.

10. We welcome the joint statement of the G8 Business Summit held in April, and are determined to enhance our cooperation with all stakeholders including business communities, consumer associations, workers and trade unions in tackling various challenges we face.

Energy Security

11. We reaffirm our commitment to the St. Petersburg Global Energy Security Principles and the implementation of its Plan of Action and invite other countries to embrace these Principles. We therefore compiled national reports, with the assistance of the International Energy Agency (IEA), evaluating our efforts to adhere to those principles and welcome the corresponding overview provided by the IEA. We are committed to updating our reports for 2009 Summit.

12. We have strong concerns about the sharp rise in oil prices, which poses risks to the global economy. Concerted efforts are needed to address the underlying causes for the benefit of all. On the supply side, production and refining capacities should be increased in the short term. Joint efforts are also necessary to expand

upstream and downstream investment in the medium term. Oil-producing countries should ensure transparent and stable investment environments conducive to increasing the production capacity needed to meet rising global demand. On the demand side, it is important to make further efforts to improve energy efficiency as well as pursue energy diversification.

In reconfirming the shared interest and responsibility of energy producing and consuming countries in promoting global energy security, we will enhance further dialogue and partnership. In this regard, as a follow-up to the recent Jeddah Energy Meeting, we look forward to the meeting to be held in London later this year. Also, we encourage major countries that are not IEA members to deepen their dialogue with the IEA, including through active participation in IEA programs, as appropriate.

13. To enhance energy security, we propose holding an energy forum to focus on energy efficiency and new technologies, which could also contribute to dialogue between producers and consumers.

14. Greater transparency will lead to better functioning energy markets and hence a better balance between supply and demand. Therefore, we need to improve collection and timely reporting of market data on oil and develop shared analysis of oil market trends and outlook. We therefore continue to strongly support the Joint Oil Data Initiative (JODI) as a significant contribution in the efforts for information sharing including on oil stocks among energy producers and consumers. We support the efforts of the JODI partner organizations including the International Energy Forum (IEF) to realize further progress of JODI in terms of quality, completeness and timeliness of information. We stress the importance of energy markets which send undistorted price signals and are free from any political pressure. We welcome the G8 Finance Ministers' request to the IMF and the IEA to jointly carry out further analysis of real and financial factors behind the recent

surge in oil and commodity prices, their volatility, and the effects on the global economy. We also welcome the efforts taken by relevant national authorities for increased transparency of commodity futures markets and encourage further cooperation between them.

Raw Materials

15. To promote improved transparency, accountability, good governance and sustainable economic growth in the extractive sector, and to address the natural resource dimensions of armed conflict and post-conflict situations, we:

(a) continue to support initiatives such as the Extractive Industries Transparency Initiative (EITI) and call for its full implementation and for candidate countries to complete the validation process in a timely manner. We encourage emerging economies and their companies to support the initiative;

(b) promote improved resource management including fiscal transparency and legislative oversight by resource-rich countries through supporting international financial institutions' efforts to develop international standards and codes to be voluntarily adopted by those countries, and technical assistance, as appropriate; and

(c) support international efforts to respond more effectively to the natural resource dimensions of conflict and post-conflict situations, and would welcome additional analysis on the issue by the OECD Development Assistance Committee (DAC), the United Nations Secretary General, and the World Bank.

16. We affirm the importance of open raw materials markets as the most efficient mechanism for resources allocation. We call on our trading partners to strictly

comply with WTO rules and to enhance the transparency and predictability of their measures in this area.

Protection of Intellectual Property Rights (IPR)

17. Effective promotion and protection of IPR are critical to the development of creative products, technologies and economies. We will advance existing anti-counterfeiting and piracy initiatives through, inter alia, promoting information exchange systems amongst our authorities, as well as developing non-binding Standards to be Employed by Customs for Uniform Rights Enforcement (SECURE) at the World Customs Organization. We encourage the acceleration of negotiations to establish a new international legal framework, the Anti-Counterfeiting Trade Agreement (ACTA), and seek to complete the negotiation by the end of this year. We will promote practical cooperation between our countries to develop tools to combat new techniques in counterfeiting and piracy and spread best practices. We reaffirm our commitment on government use of software in full compliance with the relevant international agreements and call on other countries to follow our commitment.

18. Firmly believing that an efficient and well-functioning IP system benefits countries at all stages of development, we:

(a) reaffirm the importance of global patent harmonization and expanding international patent collaboration, including accelerated discussions on the Substantive Patent Law Treaty; and

(b) welcome the progress achieved in the G8 technical assistance pilot plans as well as the launch of additional pilot plans and joint outreach programs for public awareness in these countries.

Corruption

19. We call for the ratification of the United Nations Convention against Corruption (UNCAC) by all countries and a strong and consistent follow-up of the Bali Conference by ensuring effective implementation of UNCAC, including the development of a review mechanism. Reaffirming our previous commitments, we will redouble our efforts to deny safe havens through our national laws to public officials found guilty of corruption and strengthen international cooperation on asset recovery including supporting initiatives of relevant international organizations such as the Stolen Asset Recovery (StAR) Initiative promoted by the World Bank and United Nations Office on Drugs and Crime (UNODC). We also recognize the importance of technical assistance to partner countries in their own efforts to implement the Convention.

We will also strengthen enforcement of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions with the commitment to continue effective monitoring through the implementation of a rigorous and permanent peer review mechanism and call for accession to the Convention by emerging countries. We endorsed an enhanced accountability report detailing actions of each G8 member to implement the anticorruption commitments we have undertaken in the G8, and agreed to update it annually.

Abuses of the Financial System

20. We urge all countries that have not yet fully implemented the OECD standards of transparency and effective exchange of information in tax matters to do so without further delay, and encourage the OECD to strengthen its work on tax evasion and report back in 2010.

Heiligendamm Process

21. We welcome the progress of the Heiligendamm Process, the topic-driven political dialogue on an equal footing between the members of the G8 and major emerging economies to enhance mutual confidence and understanding and to develop a true partnership focusing on investment, innovation, energy efficiency and development. We look forward to discussing these issues reflected in the interim report with the leaders of Brazil, China, India, Mexico and South Africa on 9 July. We reiterate our commitment to the Process and look forward to receiving a comprehensive concluding report at the G8 Summit in 2009. We appreciate the OECD for providing organizational and technical support for the dialogue.

Environment and Climate Change

Climate Change

22. We reconfirm the significance of the Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) as providing the most comprehensive assessment of the science and encourage the continuation of the science-based approach that should guide our climate protection efforts. We reaffirm our commitment to take strong leadership in combating climate change and in this respect, welcome decisions taken in Bali as the foundation for reaching a global agreement in the United Nations Framework Convention on Climate Change (UNFCCC) process by 2009. We are committed to its successful conclusion. Enhanced commitments or actions by all major economies are essential for tackling climate change. Therefore, we endorse the positive contribution of the Major Economies Leaders Meeting to the UNFCCC.

23. We are committed to avoiding the most serious consequences of climate change and determined to achieve the stabilization of atmospheric concentrations of global greenhouse gases consistent with the ultimate objective of Article 2 of the Convention and within a time frame that should be compatible with economic growth and energy security. Achieving this objective will only be possible through common determination of all major economies, over an appropriate time frame, to slow, stop and reverse global growth of emissions and move towards a low-carbon society. We seek to share with all Parties to the UNFCCC the vision of, and together with them to consider and adopt in the UNFCCC negotiations, the goal of achieving at least 50% reduction of global emissions by 2050, recognizing that this global challenge can only be met by a global response, in particular, by the contributions from all major economies, consistent with the principle of common but differentiated responsibilities and respective capabilities. Substantial progress toward such a long-term goal requires, inter alia, in the near-term, the acceleration of the deployment of existing technologies, and in the medium- and long-term, will depend on the development and deployment of low-carbon technologies in ways that will enable us to meet our sustainable economic development and energy security objectives. In this regard, we emphasize the importance and urgency of adopting appropriate measures to stimulate development and deployment of innovative technologies and practices.

24. Making progress towards the shared vision, and a long-term global goal will require mid-term goals and national plans to achieve them. These plans may reflect a diversity of mitigation and adaptation approaches. Sectoral approaches are useful tools among others for achieving national emission reduction objectives. We look forward to discussing this issue with leaders of other major economies tomorrow and to continuing the discussions among the major economies and in the UNFCCC negotiations over the coming months. We recognize that what the major developed economies do will differ from what major developing economies

do, consistent with the principle of common but differentiated responsibilities and respective capabilities. In this respect, we acknowledge our leadership role and each of us will implement ambitious economy-wide mid-term goals in order to achieve absolute emissions reductions and, where applicable, first stop the growth of emissions as soon as possible, reflecting comparable efforts among all developed economies, taking into account differences in their national circumstances. We will also help support the mitigation plans of major developing economies by technology, financing and capacity-building. At the same time, in order to ensure an effective and ambitious global post-2012 climate regime, all major economies will need to commit to meaningful mitigation actions to be bound in the international agreement to be negotiated by the end of 2009.

25. Sectoral approaches can be useful tools to improve energy efficiency and reduce GHG emissions through dissemination of existing and new technologies in a manner compatible with economic growth. We ask the IEA to enhance its work on voluntary sectoral indicators through improved data collection, complemented by business initiatives.

We emphasize the importance of expeditious discussions in the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO) for limiting or reducing GHG emissions in the international aviation and maritime sectors, bearing in mind the distinct processes under the UNFCCC toward an agreed outcome for the post-2012 period.

26. We recognize the importance of setting mid-term, aspirational goals for energy efficiency. In national goals and objectives, as well as in country specific action plans, we will maximize implementation of the IEA's 25 recommendations on energy efficiency.

We welcome the recent decision to establish the International Partnership for Energy Efficiency Cooperation (IPEEC), of which the terms of association will be determined by the end of this year, as a high level forum for enhancing and coordinating our joint efforts to accelerate the adoption of sound energy efficiency improvement practices.

We invite all interested countries to join those efforts.

27. We promote clean energy, given its importance in tackling climate change and for the enhancement of energy security, by setting national goals and formulating action plans followed by appropriate monitoring. We believe that there are significant and growing economic and employment opportunities in this sector.

We recognize the important role of renewable energy in tackling climate change and in the long term reducing our dependency on fossil fuels.

We underscore the importance of sustainable biofuel production and use. The same should apply for the broader use of biomass for fuel, heat and electricity. We support the work of the “Global Bioenergy Partnership” (GBEP) and invite it to work with other relevant stakeholders to develop science-based benchmarks and indicators for biofuel production and use. We are committed to continuing research and development of second generation biofuel technologies.

28. We witness that a growing number of countries have expressed their interests in nuclear power programs as a means to addressing climate change and energy security concerns. These countries regard nuclear power as an essential instrument in reducing dependence on fossil fuels and hence greenhouse gas emissions. We reiterate that safeguards (nuclear nonproliferation), nuclear safety and nuclear security (3S) are fundamental principles for the peaceful use of nuclear energy. Against this background, an international initiative proposed by

Japan on 3S-based nuclear energy infrastructure will be launched. We affirm the role of the International Atomic Energy Agency (IAEA) in this process.

29. Recognizing the linkage between the potential impacts of climate change and development, mitigation and adaptation strategies should be pursued as part of development and poverty eradication efforts. A successful global response to climate change requires a partnership between developing and developed countries. Developing countries' efforts to put in place appropriate national mitigation and adaptation plans to build low carbon, climate resilient economies, should be supported by scaled up assistance from developed countries.

30. Recognizing that poorer countries are among the most vulnerable to the adverse impacts of climate change, we will continue and enhance cooperation with developing countries, in particular least developed countries (LDCs) and small island developing states, in their efforts to adapt to climate change including disaster risk reduction. To address this issue, we commit to support urgent actions to mainstream adaptation into broader development strategies and encourage developing countries themselves to integrate adaptation into their development policies. The early start of activities under the UNFCCC Adaptation Fund should make an important contribution in this respect. We call on the multilateral development banks and other development agencies to support countries in this endeavor.

31. We will establish an international initiative with the support of the IEA to develop roadmaps for innovative technologies and cooperate upon existing and new partnerships, including carbon capture and storage (CCS) and advanced energy technologies. Reaffirming our Heiligendamm commitment to urgently develop, deploy and foster clean energy technologies, we recognize and encourage a wide range of policy instruments such as transparent regulatory frameworks, economic and fiscal incentives, and public/private partnerships to foster private

sector investments in new technologies. We strongly support the launching of 20 large-scale CCS demonstration projects globally by 2010, taking into account various national circumstances, with a view to beginning broad deployment of CCS by 2020.

To accelerate these and other efforts, we are committed to increasing investment in both basic and applied environmental and clean energy technology research and development (R&D), and the promotion of commercialization including through direct government funding and fiscal measures to encourage private sector investment. In this respect, G8 members have so far pledged over the next several years over US\$ 10 billion annually in direct government-funded R&D. We also agree to take various policy and regulatory measures to provide incentives for commercializing these technologies.

We note the opportunity to promote research on complementary technological approaches which may contribute towards maintaining a stable climate.

To respond to the growing demand for Earth observation data, we will accelerate efforts within the Global Earth Observation System of Systems (GEOSS), which builds on the work of UN specialized agencies and programs, in priority areas, inter alia, climate change and water resources management, by strengthening observation, prediction and data sharing. We also support capacity building for developing countries in earth observations and promote interoperability and linkage with other partners.

32. Substantial finance and investments will be needed to meet the urgent challenges of mitigation, adaptation and access to clean energy in developing countries. While the main sources of finance will be the private sector, public resources are essential to help the poorest and to leverage private resources, notably by financing incremental costs and can be very effective in inducing

emissions reduction when national policies provide incentives for low carbon investment. In this regard, we welcome and support the establishment of the Climate Investment Funds (CIF) including the Clean Technology Fund (CTF) and the Strategic Climate Fund (SCF), administered by the World Bank. G8 members have thus far pledged approximately US\$ 6 billion as an ODA contribution to the funds and welcome commitments from other donors. The CIF will scale up public and private finance. They will have broad-based and inclusive governance mechanisms and, as an interim measure, fill an immediate financial gap for urgent actions until a new financial architecture under the post-2012 regime is effective. The CTF will aim to promote low-carbon economies by helping to finance deployment in developing countries of commercially available cleaner energy technologies through investments in support of credible national mitigation plans that include low-carbon objectives. The SCF will help more vulnerable countries develop climate-resilient economies and take actions to prevent deforestation, and could provide helpful lessons in the context of discussions on post-2012 financing arrangements. These funds will complement existing multilateral efforts, including the Global Environmental Facility (GEF), which plays the key role as the main financial instrument of the UNFCCC and which we are committed to reinforcing. We also welcome various bilateral financial initiatives taken by G8 members, including public/private partnerships capable of generating additional investment. We expect such financial assistance to be delivered in a coordinated manner and encourage active engagement by developing countries in an effective post-2012 framework.

33. Market mechanisms, such as emissions-trading within and between countries, tax incentives, performance-based regulation, fees or taxes and consumer labeling can provide pricing signals and have the potential to deliver economic incentives to the private sector. We also recognize that they help to achieve emission reductions in a cost effective manner and to stimulate long-term innovation. We intend to

promote such instruments in accordance with our national circumstances and share experience on the effectiveness of the different instruments. In this regard, we welcome the Action Plan for Climate Change to Enhance the Engagement of Private and Public Financial Institutions adopted by our Finance Ministers.

34. Efforts in the WTO negotiations to eliminate tariffs and non-tariff barriers to environmental goods and services should be enhanced with a view to disseminating clean technology and skills. Additionally, consideration should be given to the reduction or elimination of trade barriers on a voluntary basis on goods and services directly linked to addressing climate change. We also agree to encourage initiatives contributing to climate change mitigation including purchasing and investment policies and practices that promote and support the cleaner and more efficient products and services that can contribute to lower carbon emissions.

35. We welcome the final report of the Gleneagles Dialogue on Climate Change, Clean Energy and Sustainable Development. We also welcome the reports submitted by the IEA and the World Bank on their work related to the Gleneagles Plan of Action and continue to cooperate with those organizations. We value the useful exchange of views both between member countries and also business and civil society participants and acknowledge the role that further exchanges of this nature can play in supporting action on climate change and the UNFCCC process.

We note the significant progress made by the multilateral development banks on the Clean Energy Investment Framework (CEIF) agreed at Gleneagles and welcome their joint level of ambition to mobilize public and private investments of over US\$ 100 billion up to 2010 from within existing resources. We call upon these Banks to build on the CEIF to develop comprehensive strategies to guide the integration of climate change into their development work and to set specific targets for low carbon investments like renewable energy.

Forest

36. We encourage actions for Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (REDD) including the development of an international forest monitoring network building on existing initiatives. Recognizing the urgent need to curb illegal logging and its associated trade, we welcome the G8 Forest Experts' Report on Illegal Logging. We will follow up, as appropriate, its preliminary list of options. We will make all possible efforts by ensuring close coordination among various fora and initiatives with a view to promoting effective forest law enforcement and governance and sustainable forest management worldwide. We will also consider ways to enhance our cooperation to combat forest fires.

Biodiversity

37. Recognizing the crucial importance of the conservation and the sustainable use of biodiversity as highlighted at the 9th meeting of the Conference of the Parties of the Convention on Biological Diversity held in Bonn, we share the concerns regarding the vulnerability of biodiversity. We endorse the Kobe Call for Action for Biodiversity and reiterate our commitment to increase our efforts to reduce the rate of biodiversity loss significantly in order to achieve the globally agreed 2010 Biodiversity Target, including by reducing threats from the illicit trade in wildlife. We will promote a co-benefits approach that will lead to reducing greenhouse gas emissions and conservation and sustainable use of biodiversity as well. We note the importance of improving the interface between research activities and the public and policy makers.

3R

38. In implementing the principles of the 3Rs (Reduce, Reuse, Recycle), we recognize the importance of how we use resources throughout their life cycles to a thriving global economy and environment. To this end, we endorse the Kobe 3R Action Plan. We will set targets as appropriate taking into account resource productivity, based on the work of the OECD in furthering efforts to optimize resource cycles. We recognize the importance of information sharing, stakeholder partnerships, and the inclusion of 3R viewpoint in project development and investment. We recognize the significance of reducing barriers to trade in remanufactured goods and for the G8 members to the WTO to support the recently submitted proposal to liberalize trade in remanufactured goods under the WTO Doha Round. We support the international circulation of reusable and recyclable materials and resources in an environmentally sound manner consistent with the Basel Convention.

Education for Sustainable Development

39. We promote Education for Sustainable Development (ESD) by supporting the UNESCO and other organizations in the field of ESD and through knowledge networks among relevant institutions including universities to encourage actions by the public leading to a more sustainable and low carbon society.

Development and Africa

Development

40. At the mid-point to the Millennium Development Goals (MDGs), although progress has been made, significant challenges remain. We renew our commitment to these goals by reinvigorating our efforts, and by strengthening our partnerships with, as well as encouraging the efforts of, the developing countries based on mutual accountability. The OECD/DAC estimated the global increase of official development assistance (ODA) by 2010 at around US\$ 50 billion a year. We are firmly committed to working to fulfill our commitments on ODA made at Gleneagles, and reaffirmed at Heiligendamm, including increasing, compared to 2004, with other donors, ODA to Africa by US\$ 25 billion a year by 2010. We commend the successful replenishments of the resources of the International Development Association, the African Development Fund and the Asian Development Fund in which G8 countries provided nearly 75% of donor's contributions and we acknowledge that ODA from G8 and other donors to Africa should be reassessed and may need to be increased for the period after 2010, beyond our current commitments. We expect that the UN High-level Meeting on MDGs in September will provide a timely and important opportunity to demonstrate commitment, to review progress, and to identify remaining challenges and necessary coordinated international and country-led actions to overcome them. We look forward to the UN Secretary-General's MDG Africa Steering Group's recommendations. We also reiterate that our focus on development cooperation should be on the promotion of good governance and self-sustained, private sector-led economic growth in developing countries.

41. In tackling the development agenda, we will take a multi-faceted approach, promoting synergies among MDG-related development sectors particularly among health, water and education, in a framework of sustainable development. In this regard, our work will be grounded in the set of core principles of development policy that we endorsed at Heiligendamm, including promoting good governance based on transparency and rule of law and broad-based private sector-led growth.

We will promote a 'participatory approach', involving all key players and stakeholders. We will work together, and with other countries, in a complementary manner, to address global health priorities and deliver on existing health commitments. We will also work to improve human security through protection and empowerment of individuals and communities. In addition, we emphasize the importance of education, science and technology as a means to facilitate development. We will promote gender equality and women's empowerment as a principle in our development cooperation through mainstreaming and specific actions. We will reaffirm during the Third High Level Forum on Aid Effectiveness our commitment to make our aid more effective based on the Paris Declaration principles. We continue to encourage innovative approaches to leverage private investments in connection with domestic public financing and official development assistance.

42. We renew our commitment to support the development agenda agreed in the Monterrey Conference on Financing for Development which underscored the importance of mobilizing all available sources for development including ODA, foreign direct investment and other private flows, trade, debt relief, innovative financing, and domestic resources. We will contribute to the success of the Follow-up Conference on Financing for Development in Doha thereby giving fresh impetus to the Monterrey Agenda and the global partnership launched there.

43. Peace and security are fundamental to states' ability to meet the needs of their people. Fragile and post-conflict states remain farthest from reaching the MDGs. Overcoming fragility and successful recovery requires comprehensive, integrated and sustained international assistance, including peacekeeping and peacebuilding efforts where necessary, tailored to the particular context. Coherent and complementary responses of all relevant countries including the G8, and

international organizations can break the cycle of misery and despair and help set countries on the track to MDG attainment.

44. We acknowledge the importance of facilitating remittance flows given their development impacts. The G8 conference on remittances in Berlin in November 2007 reviewed the actions agreed at the Sea Island Summit in 2004. In this context, we will follow-up the seven recommendations adopted at the Berlin conference on improving data, development impact, remittance services, access to finance, innovative channels and on the creation of a Global Remittances Working Group. We appreciate the work done by international financial institutions in this regard and invite the World Bank to facilitate the work of the group and provide for coordination.

Health

45. As a result of its growing political and financial commitment to fight infectious diseases, the G8 has raised international awareness on global health issues and contributed to remarkable improvements on health in partner countries, notably access to HIV/AIDS prevention, treatment and care; stabilization of tuberculosis incidence; increased coverage of innovative tools such as insecticide-treated nets against malaria; impressive falls in measles deaths; and considerable progress on polio which is closer to eradication than ever before. Investment through the Global Fund to Fight AIDS, Tuberculosis and Malaria together with national efforts, bilateral and other multilateral programs has enabled recipient countries to save more than 2.5 million lives to date. The Second Voluntary Replenishment Conference held in Berlin in 2007 raised US\$ 9.7 billion for expanded activities during the period 2008-2010. But many challenges remain toward reaching the health-related MDGs. G8 members are determined to honor in full their specific

commitments to fight infectious diseases, namely malaria, tuberculosis, polio and working towards the goal of universal access to HIV/AIDS prevention, treatment and care by 2010. In this regard, we welcome the report submitted by our health experts along with its attached matrices, showing G8 implementation of past commitments to ensure accountability. Building on the Saint Petersburg commitments to fight infectious diseases, the experts' report sets forth the 'Toyako Framework for Action', which includes the principles for action, and actions to be taken on health, drawing on the expertise of international institutions. We also agreed to establish a follow-up mechanism to monitor our progress on meeting our commitments.

46. In view of sustainability we aim at ensuring that disease-specific and health systems approaches are mutually reinforcing and contribute to achieving all of the health MDGs, and will focus on the following:

(a) We emphasize the importance of comprehensive approaches to address the strengthening of health systems including social health protection, the improvement of maternal, newborn and child health, the scaling-up of programs to counter infectious diseases and access to essential medicines, vaccines and appropriate health-related products. We reiterate our support to our African partners' commitment to ensure that by 2015 all children have access to basic health care (free wherever countries choose to provide this). We underline the need for partner countries to work toward sustainable and equitable financing of health systems. We also welcome the efforts of the Providing for Health Initiative as well as the International Health Partnership and the Catalytic Initiative. We reiterate our commitment to continue efforts, to work towards the goals of providing at least a projected US\$ 60billion over 5 years, to fight infectious diseases and strengthen health. Some countries will provide additional resources for health systems including water.

(b) Reliable health systems require a reliable health workforce. To achieve quantitative and qualitative improvement of the health workforce, we must work to help train a sufficient number of health workers, including community health workers and to assure an enabling environment for their effective retention in developing countries. In this regard, we encourage the World Health Organization (WHO) work on a voluntary code of practice regarding ethical recruitment of health workers. The G8 members will work towards increasing health workforce coverage towards the WHO threshold of 2.3 health workers per 1000 people, initially in partnership with the African countries where we are currently engaged and that are experiencing a critical shortage of health workers. We will also support efforts by partner countries and relevant stakeholders, such as Global Health Workforce Alliance, in developing robust health workforce plans and establishing specific, country-led milestones as well as for enhanced monitoring and evaluation, especially for formulating effective health policies. In this context, we take note of the Kampala Declaration and Agenda for Global Action adopted in March 2008 at the First Global Forum on Human Resources for Health.

(c) We note that in some developing countries, achieving the MDGs on child mortality and maternal health is seriously off-track, and therefore, in country-led plans, the continuum of prevention and care, including nutrition should include a greater focus on maternal, new born and child health. Reproductive health should be made widely accessible. The G8 will take concrete steps to work toward improving the link between HIV/AIDS activities and sexual and reproductive health and voluntary family planning programs, to improve access to health care, including preventing mother-to-child transmission, and to achieve the MDGs by adopting a multisectoral approach and by fostering community involvement and participation.

(d) As part of fulfilling our past commitments on malaria, we will continue to expand access to long-lasting insecticide treated nets, with a view to providing 100 million nets through bilateral and multilateral assistance, in partnership with other stakeholders by the end of 2010.

(e) To maintain momentum towards the historical achievement of eradicating polio, we will meet our previous commitments to maintain or increase financial contributions to support the Global Polio Eradication Initiative, and encourage other public and private donors to do the same.

(f) To build on our commitments made on neglected tropical diseases at St Petersburg, we will work to support the control or elimination of diseases listed by the WHO through such measures as research, diagnostics and treatment, prevention, awareness-raising and enhancing access to safe water and sanitation. In this regard, by expanding health system coverage, alleviating poverty and social exclusion as well as promoting adequate integrated public health approaches, including through the mass administration of drugs, we will be able to reach at least 75% of the people affected by certain major neglected tropical diseases in the most affected countries in Africa, Asia, and Latin America, bearing in mind the WHO Plan. With sustained action for 3-5 years, this would enable a very significant reduction of the current burden with the elimination of some of these diseases.

(g) We support ongoing work to review travel restrictions for HIV positive people with a view to facilitating travel and we are committed to follow this issue.

Water and Sanitation

47. Good water cycle management is crucial in order to address the issue of water, which has a cross-sectoral nature. In this regard, acknowledging the need to

accelerate the achievement of the internationally agreed goals on water and sanitation, we will reinvigorate our efforts to implement the Evian Water Action Plan and will review it on the basis of a progress report prepared by our water experts by the next Summit. We will discuss with African partners the development of an enhanced implementation strategy. Moreover, we will promote integrated water resource management and the concept of 'Good Water Governance', with particular focus on Sub-Saharan Africa and Asia-Pacific, by taking necessary actions such as strengthening of trans-boundary basin organizations, sharing of water-related expertise and technology with developing countries, support for capacity building for water-related initiatives, promotion of data collection and utilization, and adaptation to climate change. We also acknowledge that ensuring adequate water supplies for human, industrial and environmental uses while minimizing the impacts of extreme hydrological variability are critical to protecting human health, promoting sustainable economic growth, and ensuring peace and security.

(a) We call upon national governments, in this International Year of Sanitation, to prioritize access to sanitation, building on the initiatives agreed at conferences on sanitation in Asia-Pacific and Africa. In this regard, we support the leadership role of the African Ministers' Council on Water and the action of the African Development Bank.

(b) We will support efforts to improve the governance of the water and sanitation sector with a view to ensure that monitoring and reporting, at the international and national levels, are improved and that institutions responsible for delivering water and sanitation services are more capable, accountable and responsive to the needs of users.

Education

48. Strengthening the capacity of individuals, organizations, institutions and societies is the key to sustainable development and growth, therefore education in developing countries should be reinforced at all levels. Accordingly, we attach importance to life-long learning and a holistic approach to the education system, namely, continuing to prioritize universal completion of quality primary education by boys and girls, while responding to the need for striking a good balance between primary and post-primary education in relation with national constraints and economic needs. We are committed to addressing the issues of shortage, retention and management of teachers in Africa as well as improving learning outcomes. We will work further to improve access to and the quality of education through capacity development of teachers as well as community involvement. Teacher training should be intensified emphasizing the development of needed competencies and skills. Since school health and school feeding could improve both school enrolment and children's wellbeing, we will promote synergies with other development sectors.

49. We remain committed to Education for All(EFA) and the international agencies which implement it and support the efforts of the Fast Track Initiative(FTI) for universal primary education. We, along with other donors, will continue efforts to mobilize bilateral and multilateral resources to meet the shortfalls of FTI- endorsed countries estimated by the FTI Secretariat at around US\$1billion for 2008, while supporting the improvement of its effectiveness through an external evaluation. There should be a strong emphasis placed on the quality of education and program effectiveness. We will pay specific attention to countries affected by conflicts or crisis, to girls and to marginalized populations who remain mostly excluded from school. G8 progress to support FTI, including meeting shortfalls, will be monitored through a report to be delivered at the 2009 Summit.

Towards a Vibrant Africa

50. Africa in recent years has made an impressive rise with an average annual growth rate of more than 5%, attracting increased foreign investment and trade flows. We encourage African countries to improve their investment climate and to continue their efforts for economic and governance reform to stimulate the increased flows of private capital, domestic and foreign, necessary to sustain their growth and vibrancy, to make their progress on development irreversible. We are committed to working with Africans to create conditions that can lead to an increase of private investment through various measures including strategies to build institutional capacity in financial markets, public private partnerships to develop infrastructure, financial and technical assistance and risk-sharing guarantees for entrepreneurs, and support of investment funds. In this regard, we endorse the G8 Action Plan for Private Sector Led Growth adopted by the G8 Finance Ministers. This will also help countries take advantage of the opportunities and address challenges of growing capital inflows.

51. Reaffirming that principles of ownership and partnership are essential for African development, we agree that the following points, inter alia, are critical both to generating private sector-led economic growth and achieving the MDGs:

(a) working with other donors and international organizations to support appropriate, country-led strategies aimed at increased rates of sustainable growth,

(b) improvement of business environment, and strengthening the financial sector including increase of domestic savings and SMEs access to financial services,

(c) improvement of domestic revenue generation capacity by African countries and of transparency in the use of resources,

(d) development of infrastructure, in particular road and power networks, focusing on trans-national solutions and coordination through the Infrastructure Consortium for Africa together with private financing,

(e) increasing access to electricity in order to overcome energy poverty,

(f) support for agriculture and sustainable land-use and natural resource management mainly through the Comprehensive Africa Agricultural Development Programme(CAADP), and productivity enhancement through development of agriculture infrastructure (irrigation etc), new crop varieties such as NERICA rice, livestock systems, post-harvest processing and research, human resources, and improvements to link small farmers to markets while encouraging African governments to increase investment in agriculture in line with the Maputo Declaration,

(g) facilitation of free and open trade through the multilateral trade system with due consideration of the African situation, effective implementation of the financial commitments regarding spending on Aid for Trade including trade related technical assistance, made at the WTO Hong Kong Ministerial Conference, which we expect to increase to US\$4billion including the support for marketing of African products. We are fully committed to provide duty-free and quota-free market access for products originating from Least Developed Countries (LDCs) as agreed at the Hong Kong Conference,

(h) support to continental and regional integration and cooperation will be a key element to build larger integrated market, attract more investment, and address challenges with a trans-national dimension,

(i) encourage companies to consider how, in pursuing their business objectives, they can contribute to poverty reduction, and

(j) support for good governance, including promotion of anti-corruption measures, through the African Peer Review Mechanism.

52. We welcome the important contributions of the Fourth Tokyo International Conference on African Development (TICAD IV) which adopted the Yokohama Declaration. In the spirit of partnership which characterizes our relations, we will reflect views of African partners in our future cooperation.

53. We endorse the progress report on our cooperative efforts for African development submitted by our Africa Personal Representatives (APRs). We encourage them to strengthen the G8-Africa partnership and to discuss the possible evolution of the Africa Partnership Forum together with other participants. We have asked our APRs to enhance reporting on actions and progress on commitments by G8 members.

Peace and Security in Africa

54. Peace and security in Africa is fundamental to its sustainable development. Therefore we will promote peace and security through supporting the African Union and Regional Economic Communities in enhancing Africa's peacekeeping capabilities in particular the African Peace Security Architecture (APSA), including the African Standby Force (ASF) including training and equipment; through working with the African Union on assuring sustainable and flexible funding for African-led peace support operations; as well as through enabling seamless peacebuilding support, including to humanitarian, reconciliation, stabilization, recovery and reconstruction efforts and increased capacity of deployable civilian

expertise. In this context, we look forward to the recommendations of the UN-AU High Level Panel that will consider solutions for enhanced support to the AU.

Expanding Partnership for Development

55. Better coordination among various partners, particularly with the private sector, along with emerging donors and NGOs, is of vital importance for more effective aid in the context of new sources of assistance. The G8 will therefore strengthen ties with those partners by deepening aid dialogues. In dialogues with emerging donors, in particular as members of the G8 through the Heiligendamm Process, we will properly address such issues as good governance, aid effectiveness in line with the Paris Declaration, aid transparency and debt sustainability. Debt cancellation initiatives by the G8 have extensively relieved many African countries of their unsustainable debt burdens. Developing countries long-term external debt sustainability should be supported by encouraging lenders and borrowers to pursue sustainable lending practices. Cooperation between developing countries and joint efforts bringing together developing countries, emerging economies and developed countries into a partnership should also be promoted.

International Institutions

56. In the 21st century we face new challenges with global impacts, including those we have addressed at this Summit. In responding to these challenges, international institutions have a key role to play, and we reaffirm our commitment to supporting them. We encourage ongoing open dialogue and work on reforming and adapting international institutions so that they be able to respond effectively.

Political Issues

Non Proliferation

57. We are determined to make every effort to overcome the danger of the proliferation of weapons of mass destruction (WMD) and their delivery means and to prevent acquisition of WMD by terrorists, by upholding, strengthening and universalizing all relevant multilateral non-proliferation and disarmament instruments.

58. We are committed to resolving regional proliferation challenges by diplomatic means. We express our continuous support for the Six-Party process towards the verifiable denuclearization of the Korean Peninsula and the eventual normalization of relations between the relevant Six-Party members through the full implementation of the Joint Statement of 19 September 2005, including the resolution of the outstanding issues of concern such as the abduction issue.

Noting the progress made through the Six-Party process since last year, we welcome, though long overdue, the Democratic People's Republic of Korea (DPRK)'s provision of a declaration as a step toward the full implementation of the Joint Statement. Comprehensive verification of the declaration is of utmost importance, and we look forward to an early agreement on the principles/regime of the verification. We urge the DPRK to fully cooperate in the verification process, including its effective implementation. We also emphasize the importance of swift disablement of all existing nuclear facilities and the abandonment of all nuclear weapons and existing nuclear programmes by the DPRK. We also urge the DPRK to fully comply with United Nations Security Council Resolutions (UNSCRs) 1695 and 1718, including abandoning all its nuclear weapons and existing nuclear programmes as well as all other existing WMD and ballistic missile programmes in

a complete, verifiable and irreversible manner, and to return to full compliance with the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and IAEA safeguards at an early date.

59. We express our serious concern at the proliferation risks posed by Iran's nuclear programme and Iran's continued failure to meet its international obligations. We urge Iran to fully comply with UNSCRs 1696, 1737, 1747 and 1803 without further delay, and in particular to suspend all enrichment-related activities. We also urge Iran to fully cooperate with the IAEA, including by providing clarification of the issues contained in the latest report of the IAEA Director General. We firmly support and cooperate with the efforts by China, France, Germany, Russia, the United Kingdom and the United States supported by the High Representative of the EU to resolve the issue innovatively through negotiation, and urge Iran to respond positively to their offer delivered on 14 June 2008. We also commend the efforts by other G8 members, particularly the high-level dialogue by Japan, towards a peaceful and diplomatic resolution of the issue. We welcome the work of the Financial Action Task Force to assist states in implementing their financial obligations under the relevant UNSCRs.

60. We will work collectively to achieve a successful outcome of the 2010 NPT Review Conference. In this context, we reaffirm our full commitment to all three pillars (non-proliferation, peaceful uses of nuclear energy and disarmament) of the NPT and pledge ourselves to redouble our efforts to uphold and strengthen the Treaty. We welcome all nuclear disarmament efforts, notably the ongoing reductions of nuclear weapons that the nuclear-weapon States among G8 members have made so far and call on all nuclear-weapon States to undertake such reductions in a transparent manner.

61. We urge all states concerned to observe a moratorium on nuclear weapon test explosions or any other nuclear explosions. We strongly support immediate commencement and early conclusion of negotiation of a Fissile Material Cut-off Treaty in the Conference on Disarmament. We urge all states concerned to declare without delay and uphold a moratorium on production of fissile material for weapons purposes.

62. We welcome the current progress of the Biological and Toxin Weapons Convention and the Chemical Weapons Convention (CWC), namely the successful outcome of the CWC 2nd Review Conference and reiterate the vital importance of their full and effective implementation.

We stress the importance of and remain committed to the Hague Code of Conduct against Ballistic Missile Proliferation and urge all states to subscribe to the Code without delay.

63. Preventing and countering proliferation requires all states to implement effective measures. We will redouble our efforts to work together to that end in a more harmonized and coordinated manner. In this context we welcome the extension of the mandate of the 1540 Committee and stress the importance of full implementation of UNSCR 1540.

We further stress the importance of:

- effective export controls,
- strengthening of IAEA safeguards and the universalization of the IAEA Additional Protocol,
- the IAEA Code of Conduct on the Safety and Security of Radioactive Sources, and

- supporting the activities of the Global Initiative to Combat Nuclear Terrorism and the Proliferation Security Initiative which has just celebrated its 5th anniversary.

64. We are determined to accomplish priority projects under the Global Partnership against the Spread of Weapons and Materials of Mass Destruction that was launched at the Kananaskis Summit in 2002. Since the risks of the spread of weapons and materials of mass destruction exist worldwide, we agree that the Partnership will address these global challenges particularly in areas where the risks of terrorism and proliferation are greatest.

65. We reaffirm the inalienable right of all parties to the NPT to the peaceful uses of nuclear energy in conformity with all their Treaty obligations. We are committed to and promote the highest possible standards on nuclear non-proliferation, safeguards, safety and security (3S) including the IAEA Additional Protocol. In this context, we appreciate various initiatives in the field of multilateral approaches to the nuclear fuel cycle and assurance of nuclear fuel supply and encourage all efforts to further develop them. In relation to nuclear safety, we reaffirm commitments of previous summit meetings with regard to Chernobyl and have decided to organize jointly a pledging event for this purpose in 2008.

66. We welcome the significant progress made by the Nuclear Suppliers Group (NSG) in moving toward consensus on a criteria based approach to strengthen controls on transfers of enrichment and reprocessing equipment, facilities and technology. We support the NSG effort to reach consensus on this important issue. Additionally, we agree that transfers of enrichment equipment, facilities and technology to any additional state in the next year will be subject to conditions that, at a minimum, do not permit or enable replication of the facilities; and where technically feasible reprocessing transfers to any additional state will be subject to those same conditions.

Transnational Organized Crime

67. In a globalized world, characterized by massive flows of people, goods, money and information, swift and malicious exploitation of those changes by criminal organizations threatens the safety of our citizens and the well-being of our societies and institutions. We reaffirm our commitment to preventing and combating transnational organized crime using all means at our disposal, while ensuring the rule of law and respect for human rights. We will strengthen our cooperation, including experience-sharing, to fight against transnational organized crime, including trafficking in persons, smuggling of migrants, illicit manufacturing of and trafficking in firearms, illicit traffic in narcotic drugs and psychotropic substances, cybercrime and money laundering.

68. Recognizing the diversified threats and methods of transnational organized crime, we will reinforce our efforts to tackle a wide range of threats including the abuse of information and communication technology as well as identity-related crime. We will continue to assist countries in their capacity building efforts to address threats of transnational organized crime, bilaterally and multilaterally, in cooperation with the United Nations Office on Drugs and Crime (UNODC) and other multilateral organizations. In this regard, we reiterate our strong support for full implementation of the UN Convention against Transnational Organized Crime and its protocols.

Peacekeeping/Peacebuilding

69. We commit to strengthen humanitarian, stabilization, military and reconstruction assistance, consistent with our national laws, to the areas of urgent

need. To that end, we will improve our individual and collective efforts and capability for peacekeeping and peacebuilding.

70. We underscore the need for a comprehensive approach, in particular, through better coordination among military and civilian activities, stressing the importance of security sector reform, good governance and the local ownership. We will also maximize our efforts to ensure the security of civilians. We support the key role of the UN, including the Security Council and peace support operations, and work towards enhancing the effectiveness of the Peacebuilding Commission. We are also determined to strengthen our cooperation with regional organizations and, *inter alia*, to support the capacity building of AU.

71. In this context, to fulfill or exceed our Sea Island and subsequent commitments, we commit to enhance the capacity in the three interlinking areas of focus, namely, military, police, and civilians worldwide. We will, in particular: (a) build capacity for peace support operations including providing quality training to and equipping troops by 2010, with focus on Africa, as well as enhance logistics and transportation support for deployment; (b) strengthen assistance both in quality and quantity to train and equip police in countries in and emerging from conflict, as well as continue to develop global capacity for police peacekeeping including stability/formed police units, and; (c) strengthen our domestic endeavor to develop civilian human resources to play core roles in peacebuilding.

72. We task our experts to discuss G8 efforts including the implementation of the initiatives above, in cooperation with the UN and regional organizations, and to submit a progress report prior to the Summit in 2009.