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G20 UPDATE

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RUSSIA'S G20 PRIORITIES



Civil Society **Development** Accountability **Participation** Advocacy Post-2015 Millenium The G20's Anti-The Russian G20 **G20** Exclusion of The Story of Russia's CivilG8-2006 Project Parade Begins: The **Development Goals Corruption Working** African Perspectives C20, T20, B20, Y20, Group: Its History, G(irls)20 Achievements, and Goals Ella Pamfilova, Wonhyuk Lim, Korea coordinator of this Angela McClellan, Simekinala Kaluzi, Council Development Institute, remarkable project for Transparency Nancy Alexander, Heinrich for NGOs in Malawi, describes the status of Russia's first G8 International and Andrew **Boell Foundation-North** describes the exclusion of progress toward the Presidency, describes its Eberle, HBF describe the America, describes the Africans from key G20 and MDGs, the shortcomings G20's track record in achievements and draws highlights of the December C20 events, the policy of the MDGs, especially meeting its anti-corruption lessons that are applicable 2012 Civil 20, Think 20 implications of this given changes since 2000, commitments and propose today, as Russia has and Business 20 meetings exclusion, and the need for and the aspirations for goals for 2013 and embarked on its first G20 in Moscow. immediate change. new goals. beyond. Presidency.

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Introduction

Bridge-Building Between Civil Society "Insiders" and "Outsiders"

By Nancy Alexander, Director, Economic Governance Program, Heinrich Boell Foundation-North America



Ella Pamfilova has a remarkably deep, personal experience of the interface between civil society and the Russian government. Her article, "The Story of Russia's CivilG8-2006 Project," reflects her experience as Coordinator of the Advisory Council, National Working Group of the Civil G8 in 2005-2006, when I had the good fortune to see her in action. Drawing from her years of experience as Chairwoman of Russia's "Presidential Council for the Support of Civil Society and Human Rights Protection Institutions," Pamfilova helped civil society prepare for Russia's first Presidency of the Group of 8 (G8) and its July 2006 Summit. In her article, she draws lessons from her experience that are applicable today, as Russia has embarked on its first G20 Presidency and prepares for the September 2013 G20 Summit.

Pamfilova writes, "I think that the secret of our success was, first of all, an unparalleled mutual interest and commitment of each side to use this partnership in order to achieve its own goals: for the government, the goal primarily included international recognition of Russia as a full-fledged and efficient G8 partner, and for Russia's community of non-profit organizations, the goal was to put an end to the negative trend of imposing restrictions on its socio-political activities that used to be independent of government control." Under Pamfilova's leadership, a total of 2,000 civil society organizations (CSOs) from 58 countries took part in the CivilG8-2006 project, including domestic CSOs from almost every Russian region. To the disbelief of senior government officials, she

arranged for meetings of international CSOs with President Putin and negotiated space not only for the official CSO process, but also space for a liberal counter-summit "A Different Russia" and the Russian Social Forum of anti-globalists, communists and anarchists.

In my article, "The Russian G20 Parade Begins: The C20, T20, B20, Y20, G(irls) 20," I try to capture some essence of the parade of "20" meetings – particularly the Civil Society-20 (C20), Think Tank-20 (T20), Business 20 (B20) — in mid-December 2012 when the G20 sherpas (i.e., aides to 'heads of state') met for the first time under the Russian presidency.

New to the G20?

To find out more about the G20's history, the power dynamics and the issues the group addresses, click on the link below.

INTRODUCTION TO THE G20

With regard to the **C20 meeting**, Peter Lanzet (Bread for the World, Germany) reports that "Representatives of civil society discussed among themselves how to respond to the attitude of the Russian Government, which welcomes the international CSOs and the wellbehaved Russian ones ("insiders"), but represses critical Russian CSOs ("outsiders"). Russian civil society is threatened and frustrated by the recent anti-CSO legislation of the Russian government." Sameer

Dossani of ActionAid-India reported that the group expressed their solidarity with the "outsiders" - the Russian CSOs which dare to raise uncomfortable questions and protest in the streets. With others, he stressed the importance of conducting a formal dialogue between the "insiders" and "outsiders" in Russia and ensuring that the voices of the latter group are included in recommendations to the Russian government and the G20. Dossani also reflected on the split between liberals and conservatives at the C20 meeting, noting that the most radical presenters at the meeting were from the United Nations.

With regard to the **Think 20 (T20)** meeting, Barry Carin (Center for **International Governance Innovation** (CIGI), Canada) states that, although the Russians plan a "back to basics" G20 agenda, they also introduce two new ideas - "Financing for investment" and "Government borrowing and public debt sustainability." For more details of this event, see the "Must Read" box (p. 8) entitled, "The Think 20: On Reviving or Relaunching the G20" where we recount some highlights of the T20, including an effort by Colin Bradford (CIGI-Canada and Brookings-US) to urge the Russian authorities to give meaning to the concept of "Green Growth" and "equity" - the "lost sheep" of the G20 agenda.

Jorge Gaggero, an economist from CEFID-AR (Centro de Economía y Finanzas para el Desarrollo, Argentina) and a member of Tax Justice Network perceived a deep split between "insiders" and Introduction

"outsiders" at the T20 and identified with the latter group. He has told the Russian authorities and T20 organizers that the design and recommendations of the T20 were flawed by ideological biases. Gaggero presented a paper aimed at debunking the dominant neoliberal ideology.

With regard to the **Business 20** (B20) event, their proposals to the G20 are already well-developed. Moreover, they were discussed at the January 2013 annual meeting of the "rich and famous" at the World Economic Forum (WEF) in Davos, Switzerland. A "Must Read" (p. 11) describes how the WEF dealt with the 99% -- the "outsiders": women, the jobless, and the unequal.

In their article, "The G20's Anti-Corruption Working Group: Its History, Achievements, and Goals," Angela McClellan, Transparency International – Germany and Andrew Eberle, Heinrich Böll Foundation – North America, describe the G20's acknowledgement that the

acknowledgement that the real challenge is "closing the implementation and enforcement gap."

Fighting corruption not only requires new laws and official regulations, but also enforcement actions, enhanced transparency in day-by-day government activities, and a firm commitment to hold parties accountable for abusing the public trust. Their article highlights actions that the public and private sectors can take to ensure greater transparency and financial integrity.

The Russians feature the "Post-2015 Millennium Development Goals (MDGs)" as a policy priority for their G20 Presidency. This is important since the MDGs – adopted by the 2000 Millennium Summit -- expire in 2015. In his article, "The Post-2015 Development Agenda: Toward Dynamic, Inclusive, and Sustainable Development" Wonhyuk Lim of the Korea

Development Institute (KDI)

recommends that "the new goals should not only provide for basic human needs, but also ensure essential human rights and create enabling conditions to help individuals realize their potential. They should also be comprehensive enough to incorporate the Sustainable Development Goals (SDGs) an implementation mechanism for the post-2015 development agenda should be formulated, including development financing and knowledge sharing components."



courtesy of Barry Carin

In "G20 Exclusion of African Perspectives," Simekinala Kaluzi, **Program Officer, Council for NGOs** in Malawi (CONGOMA), emphasizes that, "Since so many African citizens are silenced in their countries (including through rigged elections), there are grave implications of sidelining them during G20 processes as well. Kaluzi gives several examples of the priorities that the G20 should set in order to serve the African agenda. For instance, he says that the G20 should define what it means by the term 'growth' because Africans want to know whether the growth model is propoor, pro-environment, or proworker. In the current trade model, Africa's 2-3% share of global trade is embarrassing to Africans, yet Kaluzi suggests, "the rich countries would like to keep it like that." He states that "It is strategically and morally

wrong for the G20 to plan Africa's future without the meaningful participation of Africans. Let the AU, the African private sector, African civil society, and African media take part in G20 processes."

Finally, this issue contains a "knowledge box" (p. 15) on "The "Enough" Campaign and the G8's New Alliance for Food Security and Nutrition." The anti-hunger "enough" campaign contends that there is enough food for everyone: IF we give enough <u>aid</u> to stop children dying from hunger and help the

poorest families feed themselves IF governments stop big companies from dodging taxes in poor countries; IF we stop poor farmers being forced off their land and grow crops to feed people, not fuel cars; and IF governments and big companies are open and transparent about their actions that stop people getting enough food. Hopefully, this important campaign will critique ways in which the G8 is driving an agribusiness model through its "New Alliance for Food Security and Nutrition."

Sites to Watch:

Civil 20-Russia: http://www.g20civil.com/

Business 20-Russia: http://www.b20russia.com/en/

Think 20-Russia: http://www.g20.org/events summit/20121211/780963122.html

G8/G20 Youth Summits: http://g8-g20-youth-summits.org/

G(irls) 20 Summit: http://www.girls20summit.com/

The Story of Russia's CivilG8-2006 Project

How it all happened: insights into history, statistics and a few subjective remarks

By Ella Pamfilova (2005–2006 – coordinator of the National Working Group of the CivilG8–2006 Advisory Council, Moscow, Russia)



Russia was G8 president for the first time in its history at the Summit in St. Petersburg on 15–17th July 2006. In the run-up to the Summit, the social and political climate in the international community was markedly unfavorable for Russia. Foreign nongovernmental organizations (NGOs) had deep doubts about whether it was worthwhile to travel to Russia for consultations due to issues relating to human rights, the situation in the North Caucasus, and restrictive legislation concerning nonprofit enterprises, among other things. Indeed, there were questions about the possibility of holding a successful summit in Russia.

As to the Russian community of nonprofit organizations, it was mainly focused on staying alive, trying to survive in spite of legislation that discriminated against them. Few of the Russian social activists and experts followed - let alone participated in – the process of traditional consultations held between the G7 NGOs and official representatives of the G7 countries. And, to be frank, almost no one in Russian public circles - with very few exceptions indeed - attached any importance to this process at all. It was against this background that a number of Russian nonprofit organizations (mainly those focused on human rights and environmental protection) got the idea of using two factors to their best advantage: first, the genuine and deep commitment of the Russian government to successfully hosting the first G8 summit, and second, the attention of the international community of

nonprofit organizations to the issues put forward by the G8 leaders.

They wanted to use these factors first of all to reinforce their own position in the country as well as to establish closer cooperation with their foreign counterparts.

In the winter of 2005, the CivilG8-2006 project was launched as a result of collective efforts of over 40 Russian nonprofit enterprises supported by their foreign partners. New bodies were established, including an international CivilG8-2006 Advisory Council comprised of experts from 11 countries and a National Working Group of the CivilG8-2006 Advisory Council to which the functions associated with organizational and technical issues and arrangements were delegated. I was entrusted with the role of Coordinator of the National Working Group due to my previous experience as the chairwoman of Russia's Presidential Council for the Support of Civil Society and Human Rights Protection Institutions – the post I have occupied on a voluntary basis since 2003. This step provided prompt and uninterrupted interaction with the government and President Vladimir Putin.

At first, many of the high-ranking Russian officials seemed to be wary of the human rights advocates' idea of launching a CivilG8–2006 project. They saw it as a useless initiative that would only create new complications and inevitably lead to confrontations with social activists at the Summit. Yet, the project was supported by the Russian Ministry of Foreign Affairs

represented by Foreign Minister Sergey Lavrov, the Foreign Policy Directorate of the Presidential Administration of Russia, and then President Putin himself. With this impressive backing, the project was given the "green light" and started to develop dynamically and gain broader support.

This does not mean that the process of project implementation was smooth. For instance, almost all highranking officials tried to persuade Vladimir Putin not to accept an invitation from the CivilG8-2006 initiators to take part in the International Forum of NGOs held on the 3-4th of July. They urged him not to take such risks and to ignore an event that was to attract such a large and unpredictable audience. After all, the other G7 Presidents met with a limited number of domestic social activists. To his credit, President Putin managed to oppose the pressure of the Russian bureaucratic machine and responded to our arguments by accepting the invitation and agreeing to engage in a direct dialogue with a wide audience of civil society activists.

I think that the secret of our success was, first of all, an unparalleled mutual interest and commitment of each side to use this partnership in order to achieve its own goals: for the government the goal primarily included international recognition of Russia as a full-fledged and efficient G8 partner, and for Russia's community of nonprofit organizations, the goal was to put an end to the negative trend of imposing restrictions on its socio-political

Civil Society

activities that used to be independent of government control.

In my opinion the unique experience accumulated by the CivilG8–2006 project has never been put to good use and further developed by Russia or any other G8 country. There are certain objective reasons for this, but it is nevertheless a great pity that things are where they are...

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Event timeline in the framework of CivilG8–2006 project

The CivilG8–2006 project basically includes six major events.

- 1) February 16th 2006, Moscow International Roundtable for NGO Experts with the following issues on its agenda:
- Energy security (http://civilg8.ru/rt16february/5023.php)
- Struggle against the spread of infectious diseases (http://civilg8.ru/ rt16february/5022.php)
- Education (http://civilg8.ru/rt16february/5024.php)

2) March 9-10th 2006, Moscow – International NGO Conference CivilG8–2006 (http://civilg8.ru/forum9march/)

A distinctive feature of the conference held in Moscow was that it was attended by the Sherpas of all the eight member-state official delegations, plus a European Commission representative. And for the first time in the G8 history, the Sherpas met with all the 300 NGO representatives coming from 35 countries (not just eight countries) of the world who participated in the conference. It was an absolutely open dialogue, not the sort of small-scale meeting which had been commonly held before.

As part of the Conference the following thematic roundtables took place, aimed at working out recommendations for the G8 leaders:

- On measures of global energy security provision
- Prevention of infectious disease spread
- Education
- Intellectual property
- Issues of human safety
- Trade, development finance and problems of Africa

3) May 18-19th 2006, Moscow-Kazan.

In May 2006, a second meeting between international NGOs and G8 Sherpas took place. The meeting itself was aimed at carrying on the tradition set during the Canadian and British G8 presidency terms and was held on a smaller scale - involving mainly experts who represented NGOs of Russia, Canada, the United Kingdom, Germany, the United States of America, France, Italy, Japan, Africa and Latin America. The G8 Sherpas were presented with recommendations worked out at the NGO Forum in March. In the course of a thorough discussion, the official G8 representatives and the NGO community clarified the similarities and differences between their positions on the key issues of the Summit agenda.

4) July 3-4th 2006, Moscow - Key meeting of the International NGO Forum CivilG8-2006.

(http://civilg8.ru/forum0307/)
The Forum brought together about
700 NGO representatives from over
50 countries. Also, for the first time
in the G8 history an unprecedented
meeting was held between all the
Forum participants and the leader of
the presiding country Vladimir Putin.
At the meeting, recommendations
issued by civil society activists for the
G8 leaders were discussed in detail.
President Putin was presented with
the Forum's resulting documents on
the following issues:

- Energy security
- GMO as a challenge of the 21st century
- Education
- Business and society: interaction mechanisms
- Struggle against the spread of infectious diseases
- Global security and public interests
- Biological diversity: urgent need to

- strengthen international cooperation
- Human rights
- Consolidation of global economic and social policies in order to provide sustainable human development

On July 4th President Putin held another meeting, one of unparalleled importance as well, with the heads of the world's 13 major international NGOs: CIVICUS Alliance for Citizen Participation, the World Wildlife Fund (WWF), the Global Campaign for Education, Greenpeace, Amnesty International, the International Council of Women, Consumers International, Oxfam, Social Watch, Transparency International, Human Rights Watch, ActionAid International.

Participants:

Roberto BISSIO – Coordinator of the International Secretariat of Social Watch;

Carroll BOGERT – Deputy Executive Director for External Relations at Human Rights Watch;

Irene KHAN – Secretary General of Amnesty International;

Huguette LOABELLE - Chair of Transparency International;

Gerd LEIPOLD – Executive Director of Greenpeace International;

James LEAPE – Director General of WWF's International Secretariat; Richard LLOYD – Director General

of Consumers International; **Henry MALUMO** – National Coordinator of the Global Call to Action Against Poverty (GCAP) in Zambia;

Kumi NAIDOO - Secretary General and CEO of CIVICUS (World Alliance for Citizen Participation); Ramesh SINGH - CEO of the international anti-poverty agency ActionAid;

Barbara STOCKING – Oxfam Chief Executive;

Laura FINNE-ELONEN – Vice President of the International Council of Women;

Lucia FRY – Head of the Global Campaign for Education.)

5) October 24-25th 2006, Moscow
– International Roundtable "Africa
Partnership Forum. Key
Development Issues in Africa"
which brought together

representatives of the international civil society, primarily from African NGOs, and Africa Partnership Forum (APF) co-chairs.

(http://civilg8.ru/Afr2410/)

6) And, finally, on **December 2nd 2006**, the last one in a row of
CivilG8-2006 events took place in
Moscow, the Final International NGO
Conference on Implementing the
Agenda of the 2006 G8 Summit.
(http://civilg8.ru/conf0212/)

At an extended meeting of the CivilG8–2006 Advisory Council involving most active NGO heads who had demonstrated sincere commitment to implementing the CivilG8-2006 project (all in all around 100 participants), public monitoring of Summit decisions implementation was conducted, conclusions of the consultative process of the Russian presidency were drawn, and the baton was informally passed on to the German NGOs.

Summary:

- In 2006, the Russian G8 Presidency helped Russian civil society build their capacity to deal with a new experience and develop new qualities. The experience cultivated a more sensitive civil society in Russia that was ready for change; it also facilitated selforganization and openness to cooperation both with partners and opponents.
- Masterminds of the CivilG8–2006 initiative managed not only to preserve the results achieved by their colleagues from the G8 countries in the previous years, but also to bring this cooperation to a qualitatively new level.
- The consultative process of the CivilG8-2006 project was implemented in strict compliance with the principles of utmost continuity, consistency, transparency and openness.
- Participation in the CivilG8–2006 project did not prevent NGOs from or pose any obstacles to their submitting motions and proposals for consideration to various government bodies in G8 memberstates, using traditional procedures

for interaction with the official authorities. CivilG8–2006 project participants tried to interact with all the forces of civil society represented, without opposing them or seeking to monopolize the right to the consultative process. Among other things, certain interactions with the organizers of the liberal counter-summit "A Different Russia" (July 11-12th) and the Russian Social Forum of antiglobalists, communists and anarchists (July 14th) took place.

- A total of 2,000 NGOs from 58 countries of the world took part in the CivilG8–2006 project. An important aspect of the initiative was that local NGOs from almost all the Russian regions were widely represented in the project.
- At the end of the consultations, the experts engaged in the project carried out a <u>research study</u> in order to evaluate the extent to which the work of the CivilG8– 2006 had influenced the G8 decision-making process.(http://civilg8.ru/conf0212/6786.php)

Participants' opinions

Peter I. Hajnal, G8 Research Group, University of Toronto:

"...There is one crucially important factor civil society should take into account – the significance of starting a dialogue and the lobbying process at the stage of early preparations for the Summit, because putting together and approving the agenda can take up over a year and never breaks up, gradually drifting from one Summit to the other. This was perfectly illustrated in Russia in 2006...

- ...It often happens that some NGOs and coalitions opt out of the dialogue or any other form of constructive interaction with G8 (based on their principles or ideology). It is their democratic right to do so, but you should thoroughly analyse and compare your potential input and benefits you would get after taking a "self-inclusion" or "self-exclusion" decision. You will then have to admit that the price for "self-exclusion" is the loss of influence on G8. What happened to "A Different Russia" proves this idea.
- ...And, finally, the most important issue here is that the first Russian G8

Presidency showed that this country is open to dialogue and ready to engage in unbounded cooperation with civil society at the highest level possible."

Regina Gunter, Head of WWF Germany:

"Some of the recommendations by civil society and NGOs put forward at the G8 Summit in St. Petersburg were not fully taken on board.

Despite the fact that the St. Petersburg Summit outcomes were generally far better than anything we had seen previously, the final declaration reveals that there is still a long way to go before our voice, the voice of civil society, is listened to and considered."

Viktoria Panova, Head of the University of Toronto G8 Research Group in Russia:

"...28 recommendations by civil society were reflected in the documents issued by the G8. But these were mostly declarative statements."

Aleksandr Auzan (Russia), President of the National Planning Institute (NPI) for the "Civil Contract" project:

"...The most important results of the Summit include internal consolidation of civil society, not gaining influence over the G8 decision-making process. It was a real challenge to make representation of various civil society groups possible and combine the interests of experts and NGO activists..."

John Kirton, G8 Research Group, U. of Toronto (Canada):

«The CivilG8-2006 managed to make a single consistent and logical package of all the numerous and diverse recommendations and suggestions, which was passed on to the G8 leaders. Due to the mediating efforts of Vladimir Putin the CivilG8-2006 became a de-facto ninth Summit member, and its meeting with representatives of the Africa Partnership Forum and Russian and German top officials at the end of 2006 effectively promoted interactions with civil society to a new level."

The Russian G20 Parade Begins: The C20, T20, B20, Y20, G(irls)20

By Nancy Alexander, Heinrich Boell Foundation-North America



To prepare for the September 2013 Russian G20 Summit, the first Sherpa meeting was held on December 11-12, 2012 in Moscow. At the same time, there were parallel meetings of the Think Tank 20 (T20), the Labor 20 (L20), the Business 20 (B20), and the Civil Society 20 (C20), which presented reports to the Conference on the Russian G20 Presidency on 13 December 2012.

Civil 20 (C20) Meeting

The Russian G8/G20 NG0 Working Group – a coalition led by AIDS Infoshare -- hosted the C20 meetings. (Click here for an official summary of the meetings and here for the Russian Sherpa paper on development.)

According to Sameer Dossani of ActionAid-India, the Russian coalition was "wary of taking a controversial stand on many issues. This became most obvious on December 12 – the main day of the meetings of civil society organizations (CSOs) -- when UN representatives came across as the most radical presenters in a morning filled with civil society presentations."

On the issue of equity, the presentation by Isabel Ortiz, a consultant for UNICEF started a very lively discussion with her paper - "Beyond the Bottom Billion", according to Peter Lanzet, Bread for the World (Germany). Lanzet said, "Everyone agreed that this topic should be a major focus of the C2O, since it holds tremendous potential

to engage the public as well as the G20."

The meeting also focused on G20 performance or the extent to which the G20 is implementing its decisions. On this topic, Marina Larionova of the Higher School of Economics (Moscow) and John Kirton of the University of Toronto presented their paper, "Mapping G20 Decisions Implementation," which some critiqued by citing a paper by Nancy Alexander (hbs) and Aldo Caliari (Center of Concern).

Participants organized themselves into working groups focused on: 1) equity, 2) energy and environmental sustainability, 3) food security, 4) the framework for the post-2015 Millennium Development Goals (MDGs), 5) corruption, 6) financial inclusion and financial education, and 7) labor and employment. Later, an eighth group was created on reform of the financial architecture. For each of these working groups, recommendations are being collected and synthesized on an internet <u>dialogue platform</u> and presented to decision-makers at key points on the G20 calendar.

Formalizing the C20: A coup!

Dossani gives credit to AIDS
Infoshare and its partner
organizations for "creating a formal
CSO process within the G20 for the
first time. This leaves the door open
for more meaningful engagement in
Australia and beyond. This is a
victory. But it is not a victory that
should be overestimated." Lanzet of
Bread for the World (Germany)

remarked on the potential of the formalized space for the C20, saying "The new and interesting development seems to be that global civil society can input directly into the G20 working groups processes rather than being heard at a Sherpa meeting, after the decisions are already taken."

The G20 and civil society have yet to build the type of symbiotic relationship that produces "win-win" outcomes without compromising the autonomy of either

Meetings with officials

Nearly 100 representatives of CSOs all Russian with the exception of 15 international representatives -met with the head of the Russian G8/ G20 Sherpa's office, Ms. Svetlana Lukash, and the Sherpa herself, Ms. Ksenia Yudaeva, although the latter only briefly presented the Russian G20 priorities. Lanzet said, "Lukash encouraged us to get involved in the work of the G20 working groups and repeatedly underscored the willingness of the Russian Presidency and the Sherpa to put their weight behind the issue of civil society engagement with Sherpas and working groups. Regrettably, some G20 members are less willing to engage with civil society (e.g., China, Brazil and the US, according to reports)."

Split between Russian "insiders" and "outsiders."

Lanzet says, "Representatives of

civil society discussed among themselves how to respond to the attitude of the Russian Government, which welcomes the international CSOs and the well-behaved Russian ones ("insiders"), but represses critical Russian CSOs ("outsiders"). Russian civil society is threatened and frustrated by the recent anti-CSO legislation of the Russian government. For instance, the government can now persecute CSOs accused of "slandering" officials or police. If found guilty, they could be subjected to painful legal action and punishment. At the same time, a new Russian law effectively slanders CSOs accepting foreign funding by branding them as "foreign agents," thereby effectively destroying their credibility with the public and the administration. The group expressed their solidarity with the "outsiders" - the Russian CSOs which dare to raise uncomfortable questions and protest in the streets.

Several CSOs stressed the importance of conducting a formal dialogue between the "insiders" and "outsiders" in Russia and ensuring that the voices of the latter group are included in recommendations to the Russian government and the G20.

Think Tank 20 (T20)

The T20 meeting was convened by the Russian Presidential Academy of National Economy and Public Administration (RANEPA) in cooperation with the Mexican Council on Foreign Relations and the Lowy Institute for International Relations (Australia). In preparation for the meeting, a background note was prepared that focused on the issues of: (a) reinvigorating economic growth: macroeconomic issues and fiscal sustainability; (b) trade & FDI: tools to restore growth and pave the path towards convergence; and (c) enhancing sustainable development:

finding enduring sources of shared global growth. Click <u>here</u> for an official summary of the T20 meeting.

Jorge Gaggero, an economist from CEFID-AR (Centro de Economía y Finanzas para el Desarrollo de la Argentina) and a member of Tax Justice Network pointed out the biases he perceived in the T20 event to the Russian Sherpa. In particular, he emphasized that there was an ideologically-biased selection of the participants, session chairs and speakers. This led to biased presentations and recommendations (for example against trade regulations; in favor of "unrestricted" movement of capital flows and multinational corporation's activities; and promoting "multilateral investment treaties"). Moreover, he contends that the content of reports on each of the sessions that did not accurately reflect the participants' positions and discussions.

Perspective on the T20 by <u>Barry Carin</u>, Senior Fellow, Center for International Governance Innovation (CIGI)

On balance, the Russians ran a productive event, honoring the Troika idea with prominent roles for Mexico's Andres Rozental and Australia's Lowy Institute's Mike Callaghan. Michael Fullilove, Lowy's Director, was also present. The Russians seemed to be listening.

There were more than 20 speakers making formal presentations over the course of the day, with time provided for a question answer session with each of them.

The Russians are trying to square the circle. They plan a back to basics agenda, but, noting the tradition that the host has the prerogative of adding topics, are introducing two new ideas - "Financing for investment" and "Government borrowing and public debt sustainability". They displayed their approach as three themes incorporating 18 distinct topics.

"Financing for investment" includes questions like the appropriate source of finance for long term investment, and whether investment in infrastructure or in small and medium size enterprises is best for job creation. Can we increase the role of equity markets? What is the role of the MDBs? How can we stimulate equity markets and increase the number of IPOs?
Government borrowing and public debt
sustainability refers to future debt restructuring
solutions — what can be done regarding rules for
sovereigns? Vladimir Mau, our Russian host,
characterized current policy approaches like
"generals fighting the last war". He cited the
Economist's joke that the Euro issue was being
approached with German extravagance, French
reform and Italian political maturity. The Russian
presidency will hold a joint Finance Labor ministers
meeting- underlining the emphasis on employment.
They will not organize a G20 meeting of Foreign
Ministers.

Notwithstanding the Russians' foreshadowing the "back to basics" approach, some participants encouraged adding further agenda items. Anders Aslund (Peterson Institute) pitched the idea of the G20 originating a new Multilateral Investment Agreement. Aidan Harris (Open Society) suggested the G20 consider the topic of liberalizing migration. He suggested adoption of the goal of cutting the average costs of remittances in half from 9%. He noted that Turkey will be hosting the Global Forum on Migration and Development in 2015, the year of their G20 presidency.

Business 20 (B20). The Russian Union of Industrialists and Entrepreneurs hosted the first B20 meeting under the Russian Presidency. Click here for an official summary of the meeting. The recommendations of the seven task forces are as follow:

- 1. Investment and Infrastructure
- 2. <u>Financial System: Restoring</u>
 <u>Confidence and Growth</u> (including infrastructure finance)
- 3. Trade as a Growth Driver
- 4. Global Priorities for Innovation and Development
- 5. <u>Job Creation and Investments in</u> <u>Human Capital</u>
- 6. Transparency and Anti-Corruption
- 7. G20-B20 Dialogue Efficiency
 At the annual World Economic
 Forum in Davos, Switzerland on
 Jan. 23-27, 2013, the B20 issues
 were discussed in a plenary and
 task force working sessions on
 "Investments and infrastructure,"
 "Innovation and Development as a
 Global Priority," and "Financial
 System: Restoring Confidence and
 Growth.

Labor 20 (L20). The Labor (L20) issued a scoping paper that was submitted to the G20 Presidency emphasizing key priorities:

- -Raise growth in 2013 through a shift from austerity policies to sustainable growth
- Accelerate employment through active employment policies, a jobs stimulus, and investment measures
- Focus in the longer-term on employment in both public and private sectors under the "Core Economy"
- Conclude an agreement with B20 on quality apprenticeships
- Campaign for the introduction of a Financial Transaction Tax
- Campaign for implementation of financial regulation
- Achieve a social protection floor.

The <u>Russian Sherpa paper on jobs</u> outlines the proposed priorities for the future.

Summits of the Youth 20 (Y20) and G(irls) 20. The G20 Youth Forum (St. Petersburg, Russia, April 17-21, 2013) will be the largest international event organized for young leaders in 2013, and over 1500 young leaders, students and academics, representatives of the business world and governments will be participating in it. The Forum has 4 main events which will run in tandem with each other: G20 Youth Summit — Communique; a **Conference** — Publication of academic articles in the Conference Journal; a International Young <u>Parliamentarians' Debate</u> — Joint Statement; and an Alumnis' Meeting of participants from the 2006 to 2012 Summits — Joint enterprise initiatives.

The G(irls)-20 Summit will be held from June 13-21, 2013 for girls aged 18-20 from each G20 country, plus the European Union and the African Union.

MUST READ

The Think 20: On Reviving or Relaunching the G20

Ideas abound for how to revive the G20. In its meetings in Moscow in December 2012, the members of the Business 20, Civil 20, Labor 20 and Think 20 (T20) showered the Russian authorities with advice.

Since Australia takes over the G20's presidency in December 2013, Mike Callaghan, Director of the G20 Studies Center at Australia's Lowy Institute, was a prominent participant in the T20. He calls for relaunching the G20 when Australia takes over the G20. His Institute received a \$4 million grant from the Australian government to provide "thought leadership" during its presidency.

The almost entirely male-dominated Think 20 event included 17 presentations advising the G20, including:

- -- "Note for the Moscow THINK 20" by Colin Bradford, Centre for International Governance Innovation (CIGI) in Waterloo, Canada and The Brookings Institution, Washington, D.C. It makes a compelling case that the G20 should make its definition of Green Growth clearer "by focusing on ENERGY and by making the meaning of "sustainable" in the Growth Framework do so as well" He also argues that the world needs to have a strategic priority which is central to growth, equity and sustainability, simultaneously, but that "equity is the lost sheep in the G20 agenda."
- --"G20: Need for an Inclusive Growth Agenda" by Sarp Kalkan of The Economic Policy Research Foundation of Turkey (TEPAV) powerfully illustrates the need to reverse deindustrialization trends as well as promote South-South connectivity, trade and integration patterns.

- -- In "The shifting geography of global value chains: implications for trade policy," Peter Draper, vice-chair and Senior Research Fellow South African Institute of International Affairs," calls for multilateral rules governing global value chains.
- -- In "Trade Liberalization for Global Growth: Agenda for WTO and G20," Yong WANG, Director, Center for International Political Economy Research Peking University, China urges a revival of the WTO's Doha Round of negotiations, but hedges his bets by calling for plurilateral agreements (e.g., services, technology, procurement).
- -- In "Trade Protectionism and the Great Recession We Have Met the Enemy and He is Us," Alan S Alexandroff, Director Global Summitry Project, The Munk School of Global Affairs, demonstrates the nature and extent of protectionism.
- -- In "The G20 should Initiative a Multilateral Investment Agreement," Anders Aslund of the Peterson Institute suggests that the time for an MIA has come given the proliferation of agreements that aim to promote investment [2833 bilateral investment treaties (BITs) and 331 free trade agreements (FTAs) and similar instruments with investment provisions]. The MIA concept died in 1998 after a bitter fight, including opposition from an enraged and increasingly globalized civil society.
- -- In "Reinvigorating Economic Growth: Macroeconomic Issues and Fiscal Sustainability" Jorge Gaggero et al, of CEFID-Argentina critiques not only the neoliberal approach of the G20, but also the ideological bias of the T20. (This is describe in the accompanying article, "The G20 Parade Begins.")

Post-2015 Development Agenda: Toward Dynamic, Inclusive, and Sustainable Development

Wonhyuk Lim, Director of Global Economy Research, Korea Development Institute (KDI)



NOTE: The priorities of the Russian G20 Presidency include making progress on the "Post-2015 Millennium Development Goals (MDGs)" agenda. To date, it is unclear whether the G20 will take action on this agenda or defer to the United Nations.

In September 2000, world leaders at the United Nations Millennium Summit recognized a collective responsibility to work toward "a more peaceful, prosperous and just world." The Millennium **Development Goals (MDGs)** reaffirmed this vision and launched an ambitious global partnership for development, setting specific targets by 2015 and using numerical indicators to measure progress. The MDGs recognized the stark reality of widespread human deprivation and environmental degradation and galvanized support to reduce poverty, achieve basic education and health, and promote gender equality and environmental sustainability.

The MDGs have been effective in focusing attention and mobilizing resources to address the major gaps in human development, but far more needs to be done

Assessment of progress toward MDGs

By 2015, the world will have met some of the key targets such as halving the poverty rate and will get close to completing primary education for all children; but achieving the health goals looks difficult, and Africa lags behind, despite the substantial progress it has made since 2000. Overall, the MDGs have been effective in focusing attention and mobilizing resources to address the major gaps in human development, but far more needs to be done.

Based on the traditional North-South aid model, the current MDGs are focused on poverty reduction and human development for "the bottom billion," aiming to achieve a basic level of income, education, gender equality, and health (MDGs 1-6); paying some attention to environmental sustainability but not enough to the economic and social dimensions of sustainable development (MDG 7); and giving only an after-thought to global public goods (MDG 8), without providing specific numerical targets, unlike the case for all the other goals. The current framework leaves out governance (participation, transparency, and accountability) and security (freedom from violence and vulnerability); overlooks income inequality and access to opportunity (including access to infrastructure); and remains silent on how to meet basic human needs—and beyond through self-sustaining growth and development.

Changes in global development landscape since 1990

There is an emerging consensus that to be relevant, the post-2015 development agenda needs to go well beyond a poverty focus, given the dramatic changes in the

international development landscape over the past two decades. In 1990, 80 percent of the world's poor lived in stable low-income countries. In 2010, only 10 percent of the world's poor lived in stable low-income countries; whereas, 66 percent resided in middle-income countries and 24 percent in fragile low-income countries. Previously low-income countries such as China and India carried out political and economic reform and expanded trade, investment, education and research and development (R&D) to join the ranks of middle-income countries, and, instead of relying on external assistance, they are trying to use this same formula to lift more people out of poverty. Fragile low-income countries must improve basic security and governance if they are to make progress in poverty reduction.

In 1990, the Group of 7 (G7) countries accounted for 66 percent of the world's GDP at market exchange rates. In 2010, the G7 accounted for only 50 percent. Reflecting this shift in wealth, emerging countries such as China, Brazil, and India are rapidly increasing their South-South cooperation programs, combining development assistance with knowledge sharing, trade, and investment.

In the 1990s, 40 percent of the world population lived in cities, with less than 100 million international migrants; by 2050, 70 percent of the world's population will reside in cities, with more than 400 million migrants. In addition to increasing urbanization

Development

and international migration, aging is another major demographic trend that poses a complex set of economic and social challenges.

The concept of poverty reduction is being replaced by the more ambitious and challenging notion of inclusive growth

Methodologically, external aid delivery combined with a silo approach dominated the global development agenda, but, increasingly, local capacity development and a holistic approach are receiving more attention. Also, the concept of poverty reduction is being replaced by the more ambitious and challenging the notion of inclusive growth, as many developing countries are confronted with the phenomenon of increasing inequality amid declining poverty. On the environmental front, the consequences of climate change are becoming acute with each passing year. In addition, natural and manmade disasters in recent years have brought the issue of disaster risk reduction and resilience to the forefront of development discourse.

Future goals must reach beyond traditional development thinking to become sustainable one-world goals that apply to poor and rich countries alike

The Post-2015 development agenda

To respond to emerging global and national challenges, the post-2015 development agenda should be based on a comprehensive and holistic notion of development. Amartya Sen's "development as freedom" may provide an inspiring vision of development for the post-2015 period. Goals, targets, and indicators should follow from this holistic notion of development, based on a two-track structure of global and country targets under universally agreed principles. Universal goals would be required to provide a sense of direction and coherence for global development, but targets and indicators should be locally adapted

to ensure country ownership and development effectiveness. Building on the MDGs, the global community should move beyond meeting basic human needs and promote dynamic, inclusive, and sustainable development. Future goals must reach beyond traditional development thinking to become sustainable one-world goals that apply to poor and rich countries alike. Surveys show that, even for the poorest, meeting basic needs is not enough. The World Bank's Voices of the Poor exercise, for instance, concluded that the priorities of the poor were: employment, better connections to the rest of the world, reduced threats of violence, and ending humiliation and disrespect. The new goals should not only provide for basic human needs, but also ensure essential human rights and create enabling conditions to help individuals realize their potential. They should also be comprehensive enough to incorporate the Sustainable Development Goals (SDGs), whose formulation is under discussion following the Rio+20 Summit, so as not to produce two different sets of goals for the post-2015 period.

For basic needs, the new goals should do much more than just tackle extreme poverty and hunger and achieve basic education and health. The new goals should seek to deliver better living standards through inclusive growth by accelerating income growth and increasing employment, especially for the poorest 20 percent. Social inclusion and protection should be an integral part of this goal. The education goal should move beyond primary schooling toward universal literacy and numeracy and improved job skills, measured with result-based indicators. The health goal should focus on productive life expectancy, for rich and poor countries alike.

The new goals should promote civil and political rights and security in addition to gender equality

For essential human rights, the new goals should promote civil and political rights and security in

addition to gender equality. The gender equality goal should be expanded to include economic autonomy. An alternative is to have a general non-discrimination goal, especially in light of increasing international migration. Without being overly prescriptive, the civil and political rights goal should promote public participation, accountability, and transparency. The security goal should seek to reduce violence and vulnerability. Human security and national stability constitute the fundamental basis for development at both individual and national level, as illustrated by the experiences of fragile states.

For environmental sustainability, the global community should promote R&D collaboration and price greenhouse gases, for example, through a carbon tax

For enabling conditions, the new goals should promote universal access to ICT, transportation, and energy infrastructure, in addition to ensuring environmental sustainability, disaster resilience, and good global governance, to ensure that dynamic, inclusive, and sustainable development can take place without perpetuating aid dependence. Infrastructure is important for access to opportunity, as it allows people to be connected with one another and realize mutual gains. Rapid urbanization in the developing world highlights this point. For environmental sustainability, the global community should promote R&D collaboration and price greenhouse gases, for example, through a carbon tax. For disaster resilience, the new goal should emphasize social cohesion and education as well as disaster-resistant designs and early warning and rapid

After all, as the saying goes, "You don't fatten a pig by weighing it." Measurement is not enough, and implementation is needed to make real progress

response systems. It should focus on improving the capability to prepare for, live through, and bounce back from the effects of a natural or manmade hazard or shock. For good

Development

global governance and equitable economic rules, the new goal should seek to improve the representativeness and effectiveness of international organizations and set the "rules of the game" for trade, finance, investment, and labor mobility to ensure equal access to opportunities afforded by the global economy.

Methodologically, it would be useful to set specific targets and use

numerical indicators to measure progress over the course of a generation, say, from 2015 to 2040. However, unlike the current MDGs, which tried to extrapolate global trends to arrive at global targets, countries should be asked to come up with their own targets, preferably above a universal minimum level, in a one-world approach. Each country, based on its own context and patterns, should set its own targets. In addition, an implementation

mechanism for the post-2015 development agenda should be formulated, including development financing and knowledge sharing components. After all, as the saying goes, "You don't fatten a pig by weighing it." Measurement is not enough, and implementation is needed to make real progress.

MUST READ

World Economic Forum (WEF) annual meeting:

January 23-27, 2013 in Davos, Switzerland

Gideon Rachman's Financial Times op-ed on the World Economic Forum (1/29/13) includes a cartoon of people (the WEF participants) enclosed in a bubble on a mountainous landscape (Davos in the Swiss Alps). It opines that – while the `Davos men' may be reasonable, English-speaking internationalists – they may be insulated from the real world. Rachman suggests that since the global financial crisis, the public no longer believes that Davos ideas can deliver prosperity. Most Davos participants are among the richest 1% in the world and Rachman implies that the 99% don't trust them. This column notes three highlights of the 2013 WEF that, to one extent or another, address the 99%.

WOMEN. The session on "Women in Economic Decision-Making" began with a recital of grim statistics and realities related gender inequality: Of the Board members in developed countries, women represent 14%-16% of the total; in the U.S. and Europe, only 3%-4% of CEOs and Chairpersons are women; in OECD countries, only 5% of the members of corporate executive committees are women. This is despite the fact that gender parity is linked to global competitiveness and economic performance. Stereotyping and implicit biases are slowing the progress toward equality.

THE JOBLESS. In a <u>summary</u> of a panel on the G20, John Evans, General Secretary, Trade Union Advisory Committee to the OECD, said the "The old theory is that if you get growth, then jobs will come. "Now you have to break into that confidence trap. There is no certainty of government policy. A third of the world's unemployed are under 25. It's a social time bomb."

Despite the compelling need to serve the 99%, the G20 seem caught in the "confidence trap." Dmitry Medvedev, the Russian Prime Minister said that, in leading the G20 and attempting to bolster the global economy, Russia will focus on "investment, the global currency regime, financial regulation, further reform of the International Monetary Fund, job creation, promoting innovation and infrastructure development." Ksenia Yudaeva, the Russian G20 Sherpa said, "We are at the stage where easy solutions are not on the agenda anymore." However, as highlighted by Nancy Alexander and Aldo Caliari in their critique of the "Mapping G20 Decisions Implementation" document prepared by research teams at the Higher School of Economics (Moscow) and the Munk School (University of Toronto), many of the G20's commitments are contradictory. For instance, the G20's commitments to reducing the cost of unemployment, the minimum cost of labor, and job protection, can interfere with achieving the goal of creating decent jobs. Similarly, pursuit of excessive fiscal consolidation can interfere with the goal of not only job creation, but also growth.

INEQUALITY. Through its annual survey, the WEF's, Global Risks 2013 found that the top risk facing the world is severe income disparity. The next four top risks are: Chronic fiscal imbalances; Rising greenhouse gas emissions; Water supply crises; and Mismanagement of population ageing. One chapter of the report examines the risk of simultaneous stresses on the global economic system, on the one hand, and the Earth's environmental system, on the other, could "trigger the `perfect global storm,' with potentially insurmountable consequences.

The G20's Anti-Corruption Working Group: Its History, Achievements, and Goals

By Angela McClellan, Transparency International – Germany with Andrew Eberle, Heinrich Böll Foundation – North America



After introducing the topic of corruption, this paper identifies the G20 anti-corruption commitments and progress (or lack thereof) in the implementation of these commitments. It also proposes goals for the Working Group in 2013 and beyond.

At its Toronto Summit in June 2010, the G20 created an Anti-Corruption Working Group in response to the growing recognition of the lack of transparency and accountability of the crisis-stricken global financial system. At the Seoul G20 Summit in November 2010, the first G20 Anti-Corruption Action Plan was published.

Transparency International has defined corruption as "the abuse of entrusted power for private gain." This definition encompasses two of the most commonly-known forms of corruption: fraud - intentional deception in order to gain an unfair or illegal advantage¹ – and bribery, which can take the form of paying officials either to receive preferential treatment or to obtain prohibited services. As stated by the G20 itself in an annex to its official 2010 communiqué: "Corruption threatens the integrity of markets, undermines fair competition, distorts resource allocation, destroys public trust and undermines the rule of law."2 As such, it is important to focus substantial attention and resources on combating these activities on a global scale.

Among the public, there is increasing global awareness of corruption's

negative effects on the proper functioning of a society, and along with it, we see growing momentum behind popular movements to combat corruption. Anti-corruption sentiments were featured in the Arab Spring protests, and in movements in various countries, e.g., India, Kenya, and Azerbaijan. The new leader of China has remarked that anti-corruption efforts within his government are a high priority. Overall, there is political momentum that can be harnessed to make greater strides toward the elimination of corruption.

We see growing momentum behind popular movements to combat corruption

As the current president of the World Bank has said, "corruption is simply stealing from the poor."3 Corruption frequently has the effect of diverting and misappropriating large volumes of taxpayer (public) money for private gain. In other words, through corruption, the wealthy drain the national coffers of funds that might have been used to support development or social welfare programs to benefit the poorest and most vulnerable members of societies. This process contributes to the scourge of national and global income inequality. At the global level, development assistance can result in the enrichment of corrupt elite in developing countries unless "mutual accountability" between donor and recipient countries ensures that development funds benefit the majority of citizens. Corruption has a significant influence on the political and business climate within a country. Corruption drives away some potential investors who do not wish to become entangled with corrupt regimes, do not wish to build their business model on the exploitation of the poor, or who simply cannot afford the cost of doing business within a country with an "uneven playing field." Moreover, the public becomes distrustful and angry at the culprits – government and the corporations – which can create political instability.

The public becomes distrustful and angry at the culprits -- government and the corporations – which can create political instability

The Working Group promised to make headway on very important measures, though their success to date has been mixed. Despite their commitments, three members of the G20 have not yet ratified the UN **Convention Against Corruption** (UNCAC): Germany, Japan, and Saudi Arabia. It is crucial that these countries ratify the UNCAC, which is the world's legal framework for abolishing corruption. There has been some progress in the area of criminalising foreign bribery. For instance, China introduced new legislation and Russia joined the Organization for Economic Cooperation and Development (OECD) Anti-Bribery Convention. Furthermore, to combat money laundering, G20 countries have supported the revision of the

Accountability

standards of the Financial Action Task Force (FATF) and published more information about how to request legal assistance and recover misappropriated assets at the national level. In addition, the G20 agreed on principles for financial and asset disclosure of public officials and a framework for denial of visa to corrupt officials.

However, as the G20 has acknowledged, the real challenge is "closing the implementation and enforcement gap".4 Fighting corruption not only requires new laws and official regulations, but also enforcement actions, enhanced transparency in day-by-day government activities, and a firm commitment to hold parties

As the G20 has acknowledged, the real challenge is "closing the implementation and enforcement gap"

accountable for abusing the public trust. Therefore the new G20 Anti-Corruption Action Plan (2013 – 2014) rightly puts an emphasis on identifying obstacles to implementation of anti-corruption measures and sharing best practices as well as increasing international cooperation and information-sharing.

Recommendations to the Anti-**Corruption Working Group:**

To tackle challenges in anticorruption enforcement in the areas of anti-bribery and anti-money laundering, stolen asset recovery and public sector integrity, G20 countries should:

- Apply and enforce the relevant national laws implementing UNCAC and actively participate in the UNCAC peer review process increasing transparency and inclusivity.
- · Provide regular public reports on the enforcement of all their anticorruption laws.
- · Join the OECD Anti-Bribery Convention and its peer review
- Adopt and enact the standards of procurement and public financial management consistent with Article 9 of the UNCAC. Implement the principles for asset disclosure by public officials agreed on at the Mexican G20 Summit in 2012.
- At the national level, undertake and act on the results of the horizontal thematic reviews of the treatment of high risk customers and their business relationships with financial institutions.
- · Create registers that disclose the

- "beneficial ownership" of trusts and companies; such registers should be accessible to relevant investigative and judicial authorities both domestically and internationally.
- Enforce enhanced corporate transparency by passing legislation obliging oil, gas and mining companies to publish their payments to governments of all the countries where they operate on a project-by-project basis.
- Pass whistleblower protection legislation for public and private sectors that establishes comprehensive procedures for whistleblowers and ensures prompt, effective and independent follow-up of their disclosures.

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New publication

Nancy Alexander (hbs) and Aldo Caliari (Center of Concern), "Commentary on the 'Mapping G20 **Decisions Implementation'** paper" by the Higher School of Economics (Moscow) and U. of Toronto (Canada), 2013. http://www.boell.org/web/ group of 20-Alexander Caliari Comment ary-Mapping-G20-**Decisions.html**

Important Anti-Corruption Initiatives

<u>Click here</u> for a detailed status report on these initiatives.

- UNCAC: The United Nations Convention against Corruption (UNCAC) was written in 2003 and went into force in 2005 and as of November 9th 2012, it has a total of 164 countries who are a full party to it. The goal of UNCAC is to encourage its parties to increase efforts towards prevention of corruption, criminalization of corrupt acts, international cooperation in fighting corruption, and asset recovery. Established in 2006, the UNCAC Coalition is a group of civil society organizations "committed to promoting the ratification, implementation and monitoring of the UN Convention against Corruption".
- OECD Anti-Bribery Convention: <u>The Convention</u> on Combating Bribery of Foreign Public Officials in International Business Transactions is an intergovernmental anti-bribery initiative by the

Organization for **Economic** Cooperation and Development (OECD) that requires all signatory countries to outlaw bribery of foreign public officials, and to investigate, prosecute, and punish offenders. On January 19th, 2013 Colombia is set to be the 40th country to join the convention.



• FATF: The Financial Action Task Force (FATF) is an inter-governmental group created in 1989 to set standards and promote implementation of legal, regulatory, and operational measures for combating money laundering, terrorist financing, and other related threats to the integrity of the international financial system. It works to create the political will necessary for national legislative and regulatory reforms in these areas. Its

- membership includes 34 countries and 2 regional, supranational organizations.
- CoST: The Construction Sector Transparency (CoST) Initiative is a multinational organization, funded by the United Kingdom and the World Bank, dedicated to assisting countries in enforcing transparency within publically financed construction projects which is an area historically prone to corruption. This initiative provides resources for better reporting of procurement costs and independent auditing. Currently deployed in an eight country pilot program, CoST is positioned to expand its operations in the very near future.
- StAR: The Stolen Asset Recovery (StAR)
 <u>Initiative</u> is a partnership between the World
 Bank and the United Nations that has been tasked
 with combating the largest forms of corruption,
 <u>"especially the theft of public assets by senior government officials and their collaborators."</u> It

provides support to domestic programs aiming to recover money previously lost to corruption and helps to facilitate bilateral discussions between countries who were the victims of corruption and those whose banks are the current holders of those funds.

• EITI: The Extractive Industries Transparency Initiative (EITI) is an organization dedicated to making public the money paid by mining and drilling companies to the countries where they are extracting resources. They compile records from both companies and governments and independently verify their accuracy. Currently there are 18 countries that are fully-compliant with EITI, and an additional 19 countries who are officially candidates for inclusion.

G20 UPDATE

KNOWLEDGE BOX

THE G8, THE "ENOUGH" CAMPAIGN and the "NEW ALLIANCE FOR FOOD SECURITY AND NUTRITION"

The "Enough" Campaign. Last month, the campaign — "Enough Food for Everyone...IF" was launched by a 100 UK development charities and faith groups in the U.K.. It targets the Group of 8 (G8) Summit scheduled for June 17-18, 2013 at the Lough Erne Golf Resort, Enniskillen, Northern Ireland where the British Prime Minister David Cameron, G8 President, will preside.

The campaign contends that there is enough food for everyone:

Aid: IF we give enough aid to stop children dying from hunger and help the poorest families feed themselves.

Tax: IF governments stop big companies dodging tax in poor countries.

Land: IF we stop poor farmers being forced off their land and grow crops to feed people, not fuel cars.

Transparency: IF governments and big companies are honest and open about their actions that stop people getting enough food.

Prime Minister David Cameron delivered a <u>speech</u> at the recent World Economic Forum in Davos that touches upon these

themes and promises to put hunger, tax, and transparency issues on the table at the Summit.

The coalition backing the campaign is the largest of its kind since the 2005 "Make Poverty History" debt cancellation campaign and addresses <u>crucial problems</u> in poor countries.

Controversy. Not everyone is jumping on the bandwagon in support of the campaign. For instance, the non-profit group War on Want <u>claims</u> that "the IF campaign is promoting a wholly false image of the G8 as committed to resolving the scandal of global hunger, rather than (in reality) being responsible for

perpetuating it...the governments of the G8 have openly committed themselves to expanding the corporate-dominated food system that condemns hundreds of millions to hunger."

New Alliance for Food Security and Nutrition. How has the G8 expanded a corporate-dominated food system? In May 2012, at the U.S.-led G8 Summit, the body embraced the New Alliance for Food Security and

Nutrition. As described by Nancy Alexander and Lili Fuhr (Heinrich Boell Foundation) in their paper, "Privatizing the Governance of Green Growth," the initiative was designed by the ABCD group - Archer Daniels Midland, Bunge, Cargill and (Louis) Dreyfus - which accounts for an estimated 75% and 90% of the global grain trade - as well as other agribusiness giants (BASF, The CocaCola Company, DuPont, General Mills, Kraft Foods, Metro, Monsanto Company, Nestlé, PepsiCo, SABMiller, Syngenta, Unilever, Wal-Mart Stores and Yara International.)

The model for the New Alliance is described in "Achieving the New Vision for Agriculture:
New Models for Action," which

was celebrated at the 2013 World Economic Forum. While the model talks about "partnership" between smallholders and agribusiness giants, it is sobering to review the conditionalities attached to the New Alliance investments. Indeed, some of these conditionalities facilitate the type of land grabs which the "Enough" campaign seeks to halt.

Strong critiques of the New Alliance have been written by <u>Eric Holt-Gimenez</u> of Food First; <u>Sophia Murphy</u> of the Institute for Agriculture and Trade Policy; and David Nally and Bhaskar Vira in the <u>Guardian</u>.



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G20 Exclusion of African Perspectives

By Simekinala Kaluzi, Program Officer Council for NGOs in Malawi (CONGOMA)



Introduction

It is a painful reality that Africans are excluded from (or poorly represented in) most of the global bodies and development conferences that chart Africa's future.

The G20's only African member is South Africa; the Civil 20 is also exclusive. At a December 2012 Civil 20 conference in Moscow, Africans were woefully under-represented. The Civil 20 formulates and delivers recommendations of global civil society to the G20. Its analogs are: the Business 20, the Labor 20, Think Tank 20, Youth 20, and Girls 20.

The question is: how can the G20 or any of these bodies, such as the C20, adequately articulate the wishes of Africans without African participation?

It is understood that the G20 is like a club of 20 rich people planning how to boost their wealth. Although it is patronizing for the rich to make plans for the poor, the G20 is shaping policies that affect Africa, including a development agenda. As such, it is only fair that African voices are heard.

Why Africa?

Africa has been christened as a continent with enormous resources, yet the majority of its people continue to live in poverty. The question is: Do Africans alone consume these resources? The answer is 'NO'. The rich countries have played and continue to play a part in the consumption of these resources. Remember the scramble for Africa during the colonial era and the driving forces behind it? The slave trade? What about global trade? If the rich countries have benefited from African

wealth, why should they sideline the African people when it comes to discussing ways to boost growth and wealth in G20 processes?

It is a fact that poverty levels remain alarming in Africa, particularly in sub-Saharan Africa.

The African continent has been plagued by leaders who are not accountable to their citizenry. They shamelessly get rich, refuse to declare assets, cling to power, victimize opposition or people with dissenting views, and change constitutions at will. A large share of the resources squandered by leaders is grants or loans from rich countries for the African people. The G20 should ensure that its member countries prevent expropriation by African leaders by implementing mechanisms to monitor these funds.

Since so many African citizens are silenced in their countries, there are grave implications of sidelining them during G20 processes as well

African people are not usually forceful when it comes to demanding their rights and entitlements - either because they are poor or powerless or both. When, citizens demand their rights and entitlements, some government leaders will intimidate or even butcher them. Ultimately, the only way to deal with bad leaders in Africa is to vote them out during an election. Unfortunately, most of these elections are rigged. Since so many African citizens are silenced in their countries, there are grave implications of sidelining them during G20 processes as well.

The African Union and G20 processes

Since 2009, the Global Call to Action Against Poverty (GCAP) has run a campaign called 'Africa at the Table,' which fights for inclusion of the African Union (AU) in G20 processes. The key message of the campaign is that the AU should be given a voice and a seat during all G20 processes. So far, AU representatives (NEPAD and AU Chairpersons) have been invited to G20 summits at which time most of the paper work is already finalized and decisions taken. The G20 should also engage the AU in its Ministerial meetings and Working and Expert Groups which prepare for the summits. Until it does, we cannot say the AU has a voice in G20 processes.

Africa: Advance your priorities at the G20

Due to differences in poverty levels, G20 priorities might not be priorities in developing countries. For example, the term 'growth' in a G20 setting might need further explanation in a developing country. Specifically, the G20 needs to explain whether the growth model it promotes is propoor? Pro-environment? Proworker? It is questions such as these which need presence of Africans so that the developed and developing nations can operate on same wave length.

a) Accountability on pledged aid
Many of the G8/20 members have
pledged to provide development aid to
individual developing countries or
blocs of developing countries.
Africans believe it is unfair when
more advanced countries do not fulfill
their pledges. When developing
countries formulate financial plans for
development activities, they take into

account the pledges which they expect to receive.

The G20 needs to explain whether the growth model it promotes is pro-poor? Pro-environment? Pro-worker?

Africans also believe that there should be consequences for countries which fail to meet their pledges. Failure to sanction their delinquency is insulting to developing countries. What Africa wants now is not a set of new financial pledges or a reaffirmation of previous pledges, but rather their fulfillment. Fulfillment is needed of both the G8 Gleneagles Summit commitments on aid quantity (though deadlines have passed) and the Paris/Accra commitments on aid effectiveness.

b) Conditions attached to aid Most of the aid to Africa comes with open or hidden conditionalities. Ten or twenty years ago, when conditionalities had adverse impacts on the lives of the poor, there were protests. Today, civil society seems hypnotized by the promises of donors and lenders that the only conditionalities adopted are those requested by the recipient government. Conditionalities should ensure that aid reaches the beneficiary i.e., a person living on less than a US\$1.25 per day (the poverty level). If African leaders are greedy and grab aid for themselves, the donors and lenders should explore the option of disbursing aid through NGOs.

The International Monetary Fund (IMF) has the key to unlocking bilateral aid. The media and public relations paint the picture of an IMF that is always advocating great policies. I choose to disagree. The IMF and its sister institution, the World Bank, need no reminder of the economic calamities they have caused in most of the African countries. For example, in Malawi, the IMF pushed for devaluation and floatation of the Malawi Kwacha as one way of stabilizing the economy. When Malawi resisted, donor governments withdrew aid and boycotted the country. Since the Government of

Malawi finally relented and implemented the policy in mid-2012, citizens have suffered: the cost of living has more than doubled and more than 50% of Malawians are living on less than a US\$1.25 a day. When the IMF Managing Director Christine Lagarde visited Malawi from 4-6 January 2013, she concurred with the message of Malawian President Joyce Banda, saying that Malawi's economy should stabilize in the next 12 months. Really? Will life stabilize for the poor as they reel under the impacts of devaluation and privatization? It is time for practical economic solutions, not the IMF's theoretical 'one-sizefits-all' policies.

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c) Climate change

Although Africa has a tiny carbon footprint, it is paying a heavy price global warming. The largest share of historical and current global emissions originates in developed and emerging market countries, including China. Unfortunately, developing countries, which have the least capacity and resources to cope, continue to unjustly and disproportionately suffer from the adverse impacts of climate change. The effects of climate change are huge. Intense rainfall, floods, seasonal droughts, multi-year droughts, dry spells, cold spells, strong winds, thunderstorms, landslides, hailstorms, mudslides and

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heat waves are among the effects. These are impacting negatively on Sub-Saharan Africa, which is largely dependent on rain fed agriculture. To address this injustice, G20 must support an urgent effort by the UN Framework Convention on Climate Change (UNFCCC) to conclude a legally binding agreement to reduce emissions and provide financial resources, technology and relevant capacity-building to support climate

change adaptation (especially in the agriculture sector) and sustainable development in least developed countries.

d) Trade

The G20 wants to open markets for goods produced in their countries. But, reciprocity in trade deals should be encouraged. As companies from rich countries open new markets in developing countries, rich countries should open their markets to manufactured goods produced in those developing countries. Africa should not continue to be a dumping site for items manufactured in rich countries. Instead, the G20 should support Africa's industrialization. A 10% share of global trade would lift most Africans out of poverty. The current 2-3% share is embarrassing to Africans, yet the rich countries would like to keep it like that.

e) <u>Protecting the poor and vulnerable groups</u>

Social protection programsparticularly cash transfers -- are doing wonders in terms of lifting people out of extreme poverty. Hence, the G20 donor countries should support developing countries by providing funds for social protection. To reduce the vulnerability of people living in developing countries, G20 members should deliberately invest in key sectors such as health, education and agriculture. Global initiatives such as Global Fund for HIV/AIDS and other chronic infections should also be supported.

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Conclusion

It is strategically and morally wrong for the G20 to plan Africa's future without the meaningful participation of Africans. Let the AU, the African private sector, African civil society, and African media take part in G20 processes.

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