



Federal Ministry
for Economic Cooperation
and Development



Fighting poverty – strengthening global partnerships

Development policy priorities
of the German G8 presidency



The G8 – an informal alliance with the power to make a difference

They are some of the richest countries in the world. Together they generate about two thirds of global gross national income, conduct around one half of all world trade, are among the biggest financial contributors to international organisations and account for three quarters of global funding for development cooperation: the Group of Eight (G8).

The abbreviation stands for the group consisting of the industrialised countries Canada, France, Germany, Italy, Japan, Russia, the United Kingdom and the United States. The G8, the result of an initiative launched by the then heads of the German and French governments, Helmut Schmidt and Valérie Giscard d'Estaing, in 1975, carries great economic and political weight within the international community. Four of the member states are also amongst the five permanent members of the UN Security Council: France, Russia, the UK and the US.

In recent years the G8 have increasingly recognised their global responsibilities, as reflected in the topics on the agenda of the G8 summits. Whilst in the early years of the Group's existence the focus was on issues such as currency risks, since the 1990s development policy has been a permanent feature on the agenda. This shows that, despite all the criticism of it as a "rich countries' club", the G8 is changing and, thanks to the influence exerted by the German government amongst others, has successfully turned its attention to issues relating to equity between North and South.

The G8 is not an international organisation with its own structures; it is an informal alliance of countries. Even though it does not have its own administrative apparatus, it does have established procedures for conducting its discussions and carrying out its work.

In 2007, Germany will hold the G8 Presidency. The high point of each presidency is the summit, when the heads of state and government of the G8 countries come together. This year's summit will take place from 6 to 8 June at the seaside resort of Heiligendamm on the Baltic coast of the federal state of Mecklenburg-Western Pomerania.

In addition to the summit meeting in June, ministerial meetings will also be held. On 26 and 27 March, the development ministers of the G8 will meet in Berlin.



G8: advancing development

The G8 has launched and promoted a number of important development policy initiatives and processes. These include the G8 commitment at the Genoa Summit in 2001 to co-finance the Global Fund to Fight Aids, Tuberculosis and Malaria (GFATM) – without this commitment the Fund could never have been set up. Figures calculated by the Fund indicate that thanks to what it has accomplished in its first five years, the number of people who can be treated using HIV/AIDS drugs has trebled bringing the total up to 500,000.

Another G8 development policy success is debt cancellation. At the urging of the German government, the G7 states agreed at the Cologne Summit on a debt cancellation initiative for Heavily Indebted Poor Countries (HIPC Initiative). With the help of this initiative, countries had their entire foreign debt burden reduced to a manageable level, in order to free up funds for poverty reduction. However, the cancellation is only



available to countries that can show they are truly committed to making poverty reduction the main focus of their policies.

Yet, this initiative was not enough to completely solve the debt problems of the poorest countries. The G8 states addressed this situation at the Gleneagles Summit in 2005 by expanding the debt cancellation initiative. It was decided that, in addition to the debt cancellations previously agreed upon, debts to the International Monetary Fund, the World Bank and the African Development Fund would also be cancelled completely.

This debt cancellation has resulted in the following successes: between 1999 and 2005, those countries whose debts had already been cancelled increased their spending on poverty reduction from seven to nine per cent of gross national income. In concrete terms this means for a country like Uganda that, thanks to better provision in the education sector, the number of children attending school has doubled.

Another positive development in the G8 has been its continuing partnership with those African countries that have made a particular commitment to reforms, poverty reduction and combating corruption. This close G8-Africa partnership has been in existence since 2002. Although it is not possible to put an exact figure on its value, it has undeniably brought many positive developments in Africa: numerous African countries have experienced stable economic growth of five per cent or more over the past few years.

Germany is focusing on Africa

The theme of the German G8 Presidency in 2007 is “Growth and responsibility in the global economy and in Africa”. By choosing this focus Germany is sending out a very clear signal: Africa is a priority of German policy, and we are and will remain partners for a strong Africa. Our goals for 2007 are clear: we want to strengthen the positive developments that are taking place in Africa without neglecting the people who need our particular support. That is why the German government has adopted a balanced programme which concentrates on the following four priority areas:

- continued and sustainable improvements in good governance in Africa,
- more and sustainable investment, especially by the private sector, to combat poverty
- further efforts to manage conflicts and secure peace,
- strengthening of health systems and continued efforts to fight HIV/AIDS



These goals are born of the firm conviction that development in Africa must draw on two sources: support from the industrialised countries and Africa's own efforts. At the G8 summit in Gleneagles the G8 pledged to double their funding for Africa, bringing the total to 50 billion US dollars by 2010. Germany will meet its share of this commitment. The African countries have pledged, for their part, to implement reforms, develop functioning public administrations, fight corruption, support education and health and promote economic development. This is vital, because, in the long term, Africa's development must be self-sustaining. Some African countries, such as Ghana, have made great progress here. In order to offer incentives to these countries, Germany intends during its G8 Presidency to enter into a dialogue with its African partners on the best approaches to reforms and to encourage others to adopt such approaches.

However, many positive developments in Africa could be reversed if the HIV/AIDS pandemic spreads still further. There are fears that, in some African countries, gross national income could have sunk by 20 per cent by 2020 – as a result of HIV/AIDS. In addition, more and more women are becoming infected – in Africa 60 per cent of all those infected with HIV are now female.

In order to address these developments, Germany will strive during its G8 Presidency to make headway with new strategies for fighting HIV/AIDS, paying particular attention to the situation of women and girls.

**PROTECT
YOURSELF**

AGAINST

**SEXUALLY TRANSMITTED
DISEASES AND**

AIDS

USE A CONDOM

Produced by: Health Education Unit, Ministry of Health, P.O. Box 30377, Lilongwe 3, Malawi (HEU 3/93)

Acknowledging global responsibility

In addition to its focus on Africa, the German government also wants to devote more attention to global issues that affect the lives of people in industrialised countries, emerging economies and developing countries alike. Foremost amongst these issues are energy supply, climate change and careful use of resources.

The German government has therefore decided to discuss these topics with its G8 partners and with other players. From the development policy point of view, the most important issues are energy efficiency, adapting to climate change, protecting forests and transparency in the extractive industries.

If we can arrive at constructive solutions for these issues during our G8 Presidency, then we will have achieved a major success. However, the success will be even greater if the agreements we conclude are actually implemented – something which Germany, a country that is valued all over the world as a reliable partner for the developing countries, will continue to work for in the international arena.





Key dates

26-27 March:

Meeting of G8 development ministers in Berlin

21-22 May:

German World Bank Forum (topic: Africa)

22-23 May:

African Partnership Forum

6-8 June:

G8 summit in Heiligendamm

Published by the
Federal Ministry for Economic
Cooperation and Development

Bonn Office

Adenauerallee 139 - 141

53113 Bonn

Germany

Phone + 49 (0) 228 99 535 - 0

Fax + 49 (0) 228 99 535 - 3500

Berlin Office

Stresemannstrasse 94

10963 Berlin

Germany

Phone +49 (0) 30 18 535 - 0

Fax +49 (0) 30 18 535 - 2501

poststelle@bmz.bund.de

www.bmz.de

Editor-in-chief Barbara Schäfer

Final editing Jens Heine

Official responsible Ulrike Metzger

Layout and design F R E U D E ! design, Rendel Freude, Köln

Photo credits Front page: Hollandse Hoogte;
Heiligendamm: Haeberle; solar panel:
ChinaFotoPress; school children: Hahn;
women with bast fibres: Krüll; all photo
agency laif; aids poster and man with test
tube: BMZ; Minister: Ute Rademacher

Printed by Schloemer Gruppe, Düren

As at January 2007

