

Development policy outcomes of Germany's G7 Presidency in 2022

The slogan of the **German Presidency of the Group of Seven (G7)**¹ in 2022 was "progress towards an equitable world". Consequently, the outcomes of the Elmau **G7 summit** reflected a **clear focus on development policy**. Moreover, the Presidency was successful in further advancing major G7 development policy initiatives at the international level (e.g. during the Annual Meetings of the World Bank, the G20 summit and COP 27). **Implementing the agreements** will continue to be an important task even after the Presidency has ended. The G7 Presidency has been handed over to Japan on 1 January 2023.

The G7 are supporting developing and emerging economies in coping with the fallout from various crises.

The impacts of the COVID-19 pandemic, dramatic food shortages and rising food prices in many parts of the world, heatwaves and droughts — the international community is facing a range of different and complex challenges. These many crises have pushed back the progress that the world is making on achieving the Sustainable Development Goals of the United Nations (SDGs) by years. And Russia's war of aggression against Ukraine is further exacerbating these crises.

In the light of this situation, the German G7 Presidency set itself the objective of jointly tackling these acute crises, supporting our partner countries in the Global South in their efforts to manage the consequences, and strengthening their resilience with a view to preventing future crises. Ongoing exchange with these partner countries, especially those in Africa, and with international organisations was seen as highly important in this regard.

 The G7 are supporting Ukraine and its neighbouring countries in their efforts to deal with the impacts of Russia's war of aggression against Ukraine

The **consequences** of Russia's war of aggression against **Ukraine weigh heavy**, for both Ukrainians and for the people in Ukraine's immediate **neighbouring countries**.

The G7 are supporting Ukraine in responding to the **humanitarian**, **development policy and economic consequences** of the war. Since February 2022 when the war began, 32.7 billion US dollars in budget support were granted or contractually committed. So far, Germany has

¹ The Group of Seven (G7) is an informal forum of leading economies and democracies which is composed of Canada, France, Germany, Great Britain, Italy, Japan and the USA plus the European Union and has regular exchanges on international issues.



committed 450 million US dollars to support internally displaced persons and reconstruction efforts.

At the Ukraine Recovery Conference in Lugano in July 2022, which was attended by several G7 countries, the **groundwork was laid for the sustainable, reform-oriented reconstruction of Ukraine**. Further implementation steps were initiated at a conference in Berlin in October 2022 jointly hosted by the Federal Chancellor, for the G7 Presidency, and the EU Commission. At the conference, an inclusive and transparent platform was launched together with Ukraine and international partners. This platform will coordinate the reconstruction efforts of bilateral and multilateral state and private actors and institutions.

The G7 are supporting **Ukraine's neighbouring countries** with regard to building resilience to crises, improving food security and achieving a socially just energy transition, including through the Moldova Support Platform.

2. The G7 launched the Global Alliance for Food Security

Our **partner countries in the Global South** are also facing massive challenges as a result of Russia's war of aggression against Ukraine, particularly with regard to **food security**.

That is why the G7 also reaffirmed the goal agreed at the 2015 Elmau Summit, namely to **lift** a total of 500 million people worldwide out of hunger and malnutrition by 2030. In order to achieve this, development funding will be focused on the transformation of agricultural and food systems with a view to sustainably strengthening their resilience to economic and climate shocks.

In response to the global food crisis, Germany's G7 Presidency launched the **Global Alliance for Food Security** at the initiative of Minister Svenja Schulze and with support from the World Bank. The G7 confirmed their commitment to the Alliance with a pledge of **4.5 billion US dollars** to protect the most vulnerable people from hunger and malnutrition. The aim is to enable a fast and coordinated response to the global food crisis. With the **Global Food and Nutrition Security Dashboard**, the Alliance has created a first instrument for a quick and targeted response to hunger. The interactive map brings together all relevant data concerning global food security, showing which crisis response measures are currently underway and where there is still need for political action.

In addition, the G7 countries launched the **CompensACTION** initiative for food security and a healthy planet to push forward mechanisms that will compensate smallholder farmers for their contributions towards protecting ecosystems. For this purpose, Germany is providing the International Fund for Agricultural Development (IFAD) with 15 million euros in funding to support the implementation of a first pilot project.



3. The G7 are leading the way on climate change and biodiversity conservation

Climate action remains a priority for the G7. In 2022, the focus was on the further development of the Just Energy Transition Partnerships (JETPs) with ambitious partner countries. These Partnerships are aimed at supporting ambitious climate reforms and achieving concrete reform steps in close consultation with multilateral development banks. After the G7 partners and the EU had launched the first JETP with South Africa in 2021, two further JETPs were agreed with Indonesia and Viet Nam in 2022. JETPs with other partner countries are currently being negotiated.

In order to make sure that the ecological transition is socially just, the G7 are engaged, for example, in efforts to create more green jobs and build green skills and, by 2025, give up to 1 billion more people access to social protection, including in the poorest countries. In consultation with the World Bank and the International Labour Organization (ILO) the BMZ is promoting closer collaboration between them in order to make progress in the areas of social protection and decent jobs. Because social protection provides security for people in times of crises and helps prevent such crises, it helps people meet their basic needs and protect themselves against sliding further into poverty. Finally, the G7 together with the G20 are working to reduce the increasing debt burden in developing countries, including by involving private creditors more closely in debt restructuring efforts and strengthening debt transparency and debt management. Financial capacity in partner countries is one of the prerequisites for a socially just green transition.

One important initiative for dealing with the dramatic consequences of climate change is the **Global Shield against Climate Risks**, which was launched jointly by Germany in its capacity as G7 Presidency and the Vulnerable Twenty (V20), the group of countries that are especially vulnerable to climate change. The initiative works with the most affected countries to develop packages that will protect people financially against climate-related loss and damage. The Shield, for which the BMZ is providing **170 million euros** in funding, was officially presented by Federal Chancellor Olaf Scholz and Development Minister Svenja Schulze at COP 27 in Sharm el-Sheikh.

The G7 see climate action and biodiversity conservation as closely interconnected. They agreed working to halt and reverse biodiversity loss, including through an ambitious global biodiversity framework and a significant increase in funding by 2025. The G7 also called on multilateral development banks to scale up and make public their biodiversity funding. As of 2025, Germany will be providing 1.5 billion euros annually, thereby doubling its contribution.



4. By pursuing a feminist development policy, the G7 is working to strengthen gender equality worldwide

In the spirit of a **feminist development policy**, the G7 have committed to promoting the **equal participation of all people in social, political and economic life.**

To this end, the G7 countries want to increase the overall share of development measures focused on **empowering women and girls** over the next few years, while also disclosing this share. The BMZ has set itself the goal of increasing the proportion of funding going towards projects that have gender equality as a target to more than 90 per cent by 2025. Additionally, the G7 have for the first time also clearly expressed their commitment to measures that promote the **inclusion of lesbian**, **gay**, **bisexual**, **trans**, **intersexual and queer persons (LGBTIQ+)**.

Moreover, the G7 recognise that the **unequal distribution of care work** is an obstacle to achieving gender equality. That is why they are supporting the World Bank's **Invest in Childcare Initiative** with 79 million US dollars (Germany's contribution: 20 million euros). The fund supports access to quality child care worldwide.

5. The G7 are working to strengthen health and social protection systems worldwide, prevent future pandemics and improve equal access to vaccines worldwide.

The key to overcoming the COVID-19 pandemic is globally equitable access to COVID-19 vaccines, medication and diagnostics. Therefore, the G7 countries pledged to provide sufficient funding for the cooperation platform Access to COVID-19 Tools Accelerator (ACT-A), with the aim of ending the acute pandemic in 2022. Through their Last Mile Initiative, they are also promoting local vaccine logistics, especially in Africa. Moreover, the G7 agreed that equitable access to vaccines and medicines would also be promoted through support for developing and expanding the production of vaccines and drugs in developing and emerging economies.

In addition to supporting partner countries in strengthening their health and social protection systems, establishing international rules and instruments for **pandemic prevention**, **preparedness and response** also plays a key role in preparing for future pandemics. Thus, during the G7 Presidency, the groundwork was laid for the **Pandemic Fund** for financing pandemic prevention efforts, which was subsequently launched within the G20 framework. All G7 countries are contributing financially to this fund.

After the COVID-19 pandemic caused major setbacks worldwide with regard to **sexual and reproductive health and rights**, efforts in this area are to be scaled up further. In this context, the importance of the Muskoka initiative on maternal and child health was emphasised. In addition, the replenishment of the **Global Fund to Fight AIDS**, **Tuberculosis**



and Malaria saw a record pledge of 15.7 billion US dollars, not least thanks to ambitious pledges by the G7. The G7 also made a significant contribution of 2.6 billion US dollars towards the Global Polio Eradication Initiative (GPEI), thereby helping to eradicate polio in developing countries.

6. The G7 are paving the way for forward-looking infrastructure investments for sustainable development

Sustainable infrastructure is vital for achieving the Sustainable Development Goals of the United Nations and the international climate targets. This includes investing in a **socially just energy transition** and in **health infrastructure**. That is why the German government has backed up the G7 Partnership for Global Infrastructure and Investment (G7 PGII) launched under the British G7 Presidency in 2021 with concrete development agreements, further developing the initiative.

For instance, the G7 countries have agreed to mobilise **600 billion US dollars** in public and private finance **by 2027** for infrastructure investments in low- and middle-income countries. To implement these financial contributions, **long-term partnerships for sustainable infrastructure** such as the Just Energy Transition Partnerships (cf. 3.) are to be established **between G7 and partner countries**. One key aim is to facilitate **private-sector investments** - for instance by establishing enabling environments and preparing bankable projects - and to leverage such investments through public funds. Germany is providing significant additional funding for project preparation programmes of development banks.

Further information:

Germany's G7 Presidency 2022 | BMZ

<u>International Expert Conference on the Recovery, Reconstruction and Modernisation of</u>
Ukraine

Global Alliance for Food Security

Global Shield against Climate Risks

Feminist development policy

Partnership for Global Infrastructure and Investment