

SETTING A NEW HIGH-WATER MARK FOR CANADIAN MULTILATERALISM: CANADA'S 2010 G8 AND G20 SUMMITS

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2010 has been an important year for Canada on the international stage. As G8 president, Canada hosted a summit of G8 leaders in Muskoka, June 25-26, followed immediately by a separate summit of G20 leaders in Toronto, June 26-27. These fora underwent important transformations under Canada's chairmanship: the G8 strengthened and renewed its focus on addressing the most pressing development and peace and security challenges; the G20 leaders held their first summit since the decision in fall 2009 to designate the group as the premier forum for our international economic cooperation.

At these back-to-back summits, Canada's Prime Minister had the opportunity to work with other world leaders to advance solutions to some of the greatest global challenges of our time. The outcomes of Canada's summits will have significant benefits for the international community and a lasting influence on the multilateral development, peace and security and economic agendas in the coming years.

The G8 Muskoka Summit

The G8 has been reshaped and re-energized. We have refocused the G8 on its strengths: development, peace, and of course, global security challenges (Prime Minister Harper, June 2010).

Canada's 2010 G8 Presidency was notable for several major successes, including the launch of the Muskoka Initiative on Maternal, Newborn and Child Health, the expression of a clear and common G8 voice on international peace and security issues, the release of the Muskoka Accountability Report, and the deepening of G8 engagement with developing country partners.

The Muskoka Initiative on Maternal, Newborn and Child Health was the signature initiative of the summit. Each year, as many as nine million children die before they turn five, and hundreds of thousands of women die in pregnancy and childbirth, with 99 percent of deaths occurring in developing countries. Many of these deaths can be prevented by strengthening health systems in developing countries in order to enable the delivery of key interventions along the continuum of care from pre-pregnancy to childhood. A key factor is attended birth in a health facility. In addition, prevention and treatment of disease and illness, such as HIV/AIDS, malaria, pneumonia, and diarrhoea, in addition to family planning, access to clean water and sanitation, and improved nutrition, can all contribute to making real progress on improving maternal, newborn and child health.

At the summit, G8 members committed US\$5 billion in new and additional financing for the Muskoka Initiative until 2015. Members expect to mobilize significantly greater than US\$10 billion by 2015. For its part, Canada committed CA\$1.1 billion in new money to the Muskoka Initiative over the next five years. Prime Minister Harper also renewed existing

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funding of CA\$1.75 billion for maternal, newborn and child health, for a total CA\$2.85 billion by 2015.

Canada also succeeded in building a wider coalition of the committed for action on maternal, newborn and child health. Canada was very pleased that the Netherlands, Norway, New Zealand, South Korea, Spain, Switzerland, the Bill and Melinda Gates Foundation, and the United Nations Foundation signed onto the Muskoka Initiative, confirming financial commitments totalling US\$2.3 billion. A number of partners, including African leaders, other donor countries, private foundations, and importantly, the World Health Organization and other leading health organizations, also provided policy endorsement for the Muskoka Initiative.

The Muskoka Initiative will make a difference in the lives of women and children in developing countries. New commitments will be tracked through an accountability mechanism. The Muskoka Initiative also makes a key contribution to achieving the globally-set Millennium Development Goals (MDGs) by building momentum towards the high-level plenary meeting on the MDGs in September 2010 in New York at the United Nations.

In Muskoka, G8 leaders proved once again that they can speak with a strong common voice on key global peace and security issues. Nuclear proliferation remains one of the gravest challenges to humanity. G8 leaders reaffirmed their commitment to seeking a safer world for all and to creating conditions for a world without nuclear weapons, in accordance with the goals of the Nuclear Non-Proliferation Treaty. G8 leaders acknowledged the continued global threat posed by the potential acquisition by terrorists of weapons and materials of mass destruction, and recognized the success of the G8-led Global Partnership Against the Spread of Weapons and Materials of Mass Destruction in addressing this threat. G8 leaders were united in their support of UN Security Council Resolution 1929 and its clear goal: Iran must comply with its international obligations and engage in a real dialogue on its nuclear activities. Leaders also condemned the attack by North Korea on March 26 that caused the sinking of the South Korean naval vessel, *Cheonan*, and demanded that North Korea refrain from committing any attacks or threatening hostilities against South Korea.

G8 leaders also discussed key peace and security challenges in Afghanistan, the Middle East, the Kyrgyz Republic, Sudan, and Haiti. On Afghanistan, leaders reaffirmed their commitment to support the people of Afghanistan in their process of transition and development. However, they also stressed the need for the Afghan government to show tangible progress in addressing governance challenges and assuming responsibility for its security in the future. Regarding the Middle East, G8 leaders expressed their support for proximity talks between the Palestinians and Israel and urged all parties to work to ensure the flow of humanitarian and commercial goods to and from Gaza.

Building on the G8's long tradition of outreach and cooperation with Africa, G8 leaders held an innovative session with leaders from six African countries, and with the leaders of Colombia, Haiti, and Jamaica. This fostered a substantive discussion on shared peace and security threats, including the linkages between terrorism and transnational organized crime that span all continents, and that threaten international security, undermine prosperity, and weaken governance. Leaders agreed to work together to tackle these challenges. Over the past decade, the G8 has played a critical role in spearheading international cooperation

against terrorism and organized crime, including through the work of the G8 Roma-Lyon Group. In Muskoka, G8 leaders reiterated their absolute condemnation of terrorism in all of its forms and manifestations, and their commitment to work together to eradicate this threat in a strong separate statement on countering terrorism. G8 leaders also advanced a set of novel and innovative policy commitments to strengthen civilian security systems—including strengthening the availability of civilians for rule of law activity and peace-building, advancing maritime security operations and cooperation, and enhancing international police operations in support of peace and reconstruction.

Finally, one of the hallmarks of Canada's 2010 G8 Presidency was the progress made in advancing a new G8 accountability agenda. In Muskoka, leaders agreed that following through on commitments is essential to the effectiveness and credibility of the G8. Under Canada's leadership, the G8 released the Muskoka Accountability Report: Assessing Action and Results Against Development-related Commitments. This is a landmark document for the G8 and establishes a ground-breaking precedent. From now on, each G8 presidency will be charged with reporting on the group's performance on its commitments. In Canada's view, this exercise has helped establish an accountability standard matched by few other international fora. Our hope is that it will inspire other organizations to undertake similar exercises.

The G20 Toronto Summit

The coordinated actions taken to date by the G20 are producing positive results that are benefiting the entire world. However, the recovery remains fragile. We must go on to lay the foundation for strong, sustainable and harmonious growth (*Prime Minister Harper, June 2010*).

The G20 summit was equally successful in delivering results for the global economy. G20 summits were conceived in response to the most profound global economic downturn since the Great Depression of the 1930s. Spurred on by the urgency of that crisis, the G20 has taken on an ambitious program to address the root causes of the economic crisis, ease its impact, and pave the way for more sustainable and balanced growth in the future.

Actions taken by the G20 since their first meeting in Washington in November 2008 have been effective. They have made possible unprecedented economic coordination among the world's leading economies, and helped stave off the worst effects of the economic crisis. Indeed, the International Labour Organization credits G20 action with averting the potential loss of 21 million jobs.

Given continuing uncertainty in the global economy, the objective for the summit was to keep the G20 focused on the task of securing the global economic recovery, and it was a success in this respect. The Framework for Strong, Sustainable and Balanced Growth established at the G20 Pittsburgh Summit in September 2009 is key to coordinating our global economic cooperation. Under the framework process, the International Monetary Fund (IMF) and the World Bank worked with G20 members to review their respective national and regional policy frameworks. Based on this work, in Toronto leaders agreed on specific measures to be undertaken through the Framework over the medium-term that will

help put the global economy on a path to more sustainable growth and promote development and poverty reduction.

To support continued economic recovery, leaders agreed that all G20 members will complete their planned fiscal stimulus. However, they also agreed on the need to address rising fiscal deficits and debt in many advanced economies, which threaten to set back the recovery and hamper long-term growth. Targets put forward by Canada were adopted and will see advanced economies at least halve their deficits by 2013 and stabilize government debt-to-GDP ratios, or put them on a downward path by 2016.

Leaders agreed on steps to bolster global growth as the process of fiscal consolidation gets underway in many countries. This includes structural reforms by all G20 members, as well as actions by emerging markets that will help them to build stronger domestic markets and reduce their reliance on external sources of growth. Specific actions by emerging markets include measures to strengthen social safety nets, enhance corporate governance, develop domestic financial markets, increase infrastructure spending and increase exchange rate flexibility.

Leaders also made important decisions regarding the coordination of future economic policy under the Framework. They agreed that the second phase of the Framework's mutual assessment process will be conducted at the country and European level, with a comprehensive action plan to be developed by the next G20 leaders' summit in Seoul, Korea in November 2010.

The G20 has made significant progress in reforming financial sectors in order to avoid a return to the excessive risk-taking that contributed to the recent global economic and financial crisis. Canada made implementing the remaining reforms a top priority for the summit. Progress was made on four key pillars of the G20 financial sector reform agenda, which aim to ensure that a strong regulatory framework exists for financial institutions; financial institutions are effectively supervised; governments have the powers and tools to restructure or otherwise deal with financial institutions in crisis; and the financial sector is subject to transparent international assessment and peer review. For Canada, a key outcome included the agreement by G20 leaders that to strengthen financial regulatory frameworks, the amount and quality of capital held by banks must be significantly higher, and that new, stronger rules must be complemented with more effective oversight and supervision.

Another key outcome relates to financial sector responsibility. Substantial assistance was provided to financial institutions in many countries as a result of the recent crisis, and G20 governments are seeking ways to protect taxpayers from the costs of future crises. Some G20 members, for example, are pursuing levies on financial institutions. However, Canada will not adopt this approach as no Canadian financial institution required bailouts from the government during the crisis. G20 leaders agreed that the financial sector should make a fair and substantial contribution towards paying for any burdens associated with government interventions, where they occur. However, they also recognized that specific policy approaches will vary from country to country.

International financial institutions, such as the IMF, the World Bank and multilateral development banks, are important underpinnings of global growth and stability, and play an important role in supporting development. G20 members have been leading a range of

reforms that will improve the legitimacy, credibility and effectiveness of these institutions. In Toronto, the G20 was able to declare success on a number of earlier commitments in this respect, such as ensuring \$350 billion in general capital increases for multilateral development banks, which will allow the banks to nearly double their lending capacity.

In Toronto G20 leaders endorsed reforms agreed by World Bank shareholders in spring 2010 that will see an increase in the voting power of developing and transition countries within the organization. Leaders also underscored their resolve to ensure ratification by all G20 members of quota and voice reforms agreed at the IMF in 2008, and called for an acceleration of the substantial work still needed for the IMF to complete additional quota and governance reforms.

International trade and investment play an important role in supporting global recovery and sustainable growth. Recognizing this, G20 leaders agreed to renew for a further three years, until 2013, their commitment to refrain from imposing protectionist barriers to trade and investment. Leaders also reiterated their support for bringing the World Trade Organization's Doha Development Round of negotiations to a balanced and ambitious conclusion as soon as possible, and committed to maintain momentum for Aid for Trade.

Many elements of the G20 workplan contribute to international development efforts, including the creation of conditions for strong and inclusive global growth. Commitments expressed by leaders at past summits have also helped support work underway internationally to fight corruption. In Toronto, G20 leaders agreed to undertake additional work on development and anti-corruption, and established two new working groups on these issues. Canada believes the G20 has an important role to play on these issues, and will be working with G20 members to identify areas where the group can continue to make a valuable contribution that is consistent with its core strengths related to international economic cooperation.

Conclusions

There were a number of factors that contributed to the tremendous success of both the Muskoka and Toronto summits. First, the priorities Canada chose were relevant and consistent with broader multilateral development, peace and security, and economic agendas. Canada chose to focus the G8 and G20 on areas where urgent work was required, where each group could make a valuable contribution according to its respective strengths.

These were also areas where support by leaders could serve to bolster work underway internationally. For example, the Muskoka Initiative on Maternal, Newborn and Child Health helped to build momentum toward the September 2010 review conference on the United Nations Millennium Development Goals. Likewise, G8 discussions on nuclear non-proliferation served to build upon and reinforce the outcomes of major international non-proliferation events that took place in 2010, including the May Nuclear Non-Proliferation Treaty Review Conference and the April Nuclear Security Summit.

Canada's decision to maintain the G20's focus on the urgent task of economic recovery proved both pragmatic and timely. As the sovereign debt crisis in Greece grew more serious throughout the spring of 2010 and created instability throughout European and global markets, there was little doubt that Canada was pursuing the correct agenda for Toronto.



Both summits advanced priorities where Canada has demonstrated strong leadership. At the G8, Canada's effort to develop a focussed agenda was made easier by the leadership role that Canada played in developing the *Muskoka Accountability Report*. Likewise, Canada's success in leveraging financial contributions to the Muskoka Initiative was aided by the comparably large new funding commitment that it was able to bring to the table. Canada was particularly well suited to advance economic priorities at the G20 Toronto Summit, given that Canada weathered the global recession better than other major industrialized countries, due in large part to the soundness of Canadian banks and strong economic management.

Successful summits require a lot of groundwork and preparation. Over the course of the year, senior Government of Canada officials, key Cabinet ministers, such as the Minister of Foreign Affairs, the Minister of Finance, and the Minister of International Cooperation, as well as the Prime Minister himself personally met and engaged with counterparts from G8 and G20 countries and participated in various conferences and other events in Canada and internationally that helped refine and build consensus on Canadian priorities. This included extended outreach consultations in the Americas and Caribbean, in Africa and in Asia.

Canada sought to be inclusive, and took steps to involve key non-G8 and G20 members directly in the summit processes through the outreach sessions held with nine leaders from African and Latin American countries at the G8 Muskoka Summit, and by inviting the leaders of the Netherlands, Spain, Ethiopia, Malawi and Vietnam to participate in discussions at the G20 Toronto Summit. In addition, the heads of the World Bank, the International Monetary Fund, the Financial Stability Board, the Organization for Economic Cooperation and Development, the International Labour Organization, the World Trade Organization and the United Nations were also invited.

The success of Canada's 2010 summits is a testament to Canada's ongoing credibility and influence on the international stage. The commitments made will make an important contribution to global prosperity and peace and security. It is my hope that our approach to the summits will present a model for how these two multilateral fora can leverage their respective strengths to address emerging global challenges and remain relevant and effective in the years to come.
