

Chair's Summary

Hokkaido Toyako, 9 July 2008

We met at Hokkaido Toyako to address key challenges we face today. We adopted the G8 Hokkaido Toyako Summit Leaders Declaration and three independent statements on Global Food Security, Counter-Terrorism and Zimbabwe.

I

World Economy

In our discussion on world economy, while noting that our growth has moderated, we remained positive about our future growth. However, we agreed on the need to address, in particular, issues of elevated oil and food prices and global inflationary pressure, stability of the financial markets and fight against protectionism.

With regard to strengthening resilience of the financial system, we stressed the importance of rapidly implementing all recommendations by the Financial Stability Forum. Reaffirming the important role of the IMF and welcoming the progress on its reform to date, we supported further progress on this front.

We are strongly committed to use opportunities of globalization for the benefit of our citizens and global growth. We reaffirmed our commitment to resist protectionist pressures and expressed our strong will to work toward the conclusion of an ambitious, balanced and comprehensive WTO Doha agreement.

In response to the sharp rise in oil prices, we agreed to improve balance between supply and demand through efforts and dialogue by both producing and consuming countries to improve transparency. We emphasized the need for increased production and refining capacities as well as expanded investment on the supply side, and reiterated the importance to make further efforts to improve energy efficiency as well as pursue energy diversification on the demand side. In this regard, we proposed holding an energy forum to focus on energy efficiency and new technologies. Japan offered to host this meeting this year which was welcomed by other members. It is important that the meeting is closely coordinated with the follow-up meeting to the recent Jeddah Meeting to be held in London. Recognizing also the need for greater transparency of energy markets, we supported the analysis on real and financial factors behind the recent surge in oil and commodity prices and the efforts taken by relevant national authorities and international organizations including for increased transparency of commodity futures markets.

We welcome the progress of the Heiligendamm Process and reiterate our commitment to it.

II

Environment and Climate Change

We seek to share with all Parties to the UNFCCC the vision of, and together with them to consider and adopt in the UNFCCC negotiations, the goal of achieving at least 50% reduction of global emissions by 2050, recognizing that this global challenge can only be met by a global response, in particular, by the contributions from all major economies, consistent with the principle of common but differentiated responsibilities and respective capabilities. Substantial

progress toward such a long-term goal requires the acceleration of the deployment of existing technologies and will depend on the development and deployment of low-carbon technologies.

We recognize that what the major developed economies do will differ from what major developing economies do. In this respect, we acknowledge our leadership role and each of us will implement ambitious economy-wide mid-term goals in order to achieve absolute emissions reductions and, where applicable, first stop the growth of emissions as soon as possible, reflecting comparable efforts among all developed economies, taking into account differences in their national circumstances. We will also help support the mitigation plans of major developing economies by technology, financing and capacity-building. At the same time, in order to ensure an effective and ambitious global post-2012 climate regime, all major economies will need to commit to meaningful mitigation actions to be bound in the international agreement to be negotiated by the end of 2009. Sectoral approaches are useful tools among others for achieving national emission reduction objectives.

We also discussed various issues such as improvement of energy efficiency, greater use of clean energy, adaptation, technology, finance, market-based mechanisms and tariff reduction. On energy efficiency, we welcomed the recent decision to establish the International Partnership for Energy Efficiency Cooperation (IPEEC). On renewables, we underscored the importance of sustainable biofuel production and use including science-based benchmarks and indicators and are committed to continuing research and development of second generation biofuel technologies. On nuclear, we witnessed that a growing number of countries have expressed their interests in nuclear power programs as a means to addressing climate change and energy security concerns. Japan proposed to launch an international initiative on 3S-based nuclear energy infrastructure. On adaptation, we agreed to continue and enhance cooperation with developing countries including by scaled up assistance in their efforts to adapt to climate change. On technology, we agreed to establish an international initiative to develop roadmaps for innovative technologies. We stressed the importance of research and development (R&D) and committed to increase investment in R&D. G8 members have so far pledged over the next several years over US\$ 10 billion annually. On finance, we welcomed and supported the establishment of the Climate Investment Funds including the Clean Technology Fund (CTF) and the Strategic Climate Fund (SCF). G8 members have thus far pledged approximately US\$ 6 billion as an ODA contribution to the funds and welcome commitments from other donors. On market mechanisms, such as emissions-trading within and between countries, tax incentives, performance-based regulation, fees or taxes and consumer labeling, we recognized that they help to achieve emission reductions in a cost effective manner. We stressed that efforts in the WTO negotiations to eliminate tariffs and non-tariff barriers to environmental goods and services should be enhanced and consideration should be given to the reduction or elimination of trade barriers on a voluntary basis on these goods and services. We noted the significant progress made by the multilateral development banks on the Clean Energy Investment Framework (CEIF) and welcomed their joint level of ambition to mobilize public and private investments of over US\$ 100 billion.

We also recognized the importance of tackling environmental issues such as forest, biodiversity, 3R and education for sustainable development (ESD).

We met with leaders of other major economies and endorsed the positive contribution of the Major Economies Leaders Meeting to the UNFCCC.

III **Development and Africa**

At the midpoint to the Millennium Development Goals (MDGs), we renewed our commitment to work with developing countries to achieve them as well as the official development assistance (ODA) commitments made at Gleneagles. We also stressed the importance of various approaches in achieving these goals, namely, enhancement of human security and promotion of good governance, private sector-led growth and a participatory approach to involve various stakeholders. It was widely recognized that the recent rise in oil and food prices are severely affecting the economies of the least developed countries.

On MDGs, we focused our discussion on health, water and education. In further addressing issues on water and sanitation as well as education, reports will be issued by our experts by the next Summit to follow-up our commitments. On health, we welcomed the report submitted by our health experts along with its attached matrices on past commitments. Building on the Saint-Petersburg commitments to fight infectious diseases, the experts' report sets forth the Toyako Framework for Action, which includes the principles for action, and actions to be taken. We also agreed to establish a follow-up mechanism to monitor our progress on meeting our commitments. We agreed to work towards increasing health workforce in Africa with a view to achieving the WHO threshold of 2.3 health workers per 1000 people initially in partnership with the African countries where we are currently engaged and that are experiencing a critical shortage of health workers. We welcomed substantial progress on our previous commitments to fight against HIV/AIDS, tuberculosis, malaria and polio, and agreed to support the control or elimination of neglected tropical diseases (NTDs) to reach at least 75 percent of the people with NTDs. We also discussed the timeframe to provide US\$ 60 billion to fight infectious diseases and strengthen health, and agreed to do so over 5 years, while some countries will provide additional resources for health systems including water. Our discussion on malaria resulted in our agreement to continue to expand access to long-lasting insecticides treated nets, with a view to providing 100 million nets through bilateral and multilateral assistance in partnership with other stakeholders by the end of 2010. On education, we, along with other donors, will continue efforts to meet the estimated US\$ 1 billion shortfall in FTI-endorsed countries.

On Africa, taking into account the views of the African leaders expressed at the outreach session on July 7 and at the Fourth Tokyo International Conference on African Development (TICAD IV), we highlighted the importance of key policies, as set out in our declaration, which are critical to generating private sector-led economic growth and achieving the MDGs, while reaffirming the principles of ownership and partnership as well as the particular importance of peace and security in Africa. We also had an extensive discussion on the state of governance in Africa with a particular focus on Zimbabwe, and we shared the view that good governance is of fundamental importance in promoting sustainable development based on mutual accountability. We will consider ways how we can better follow-up our discussion with African partners.

On the issue of rising food prices, we shared a serious concern over its consequences, and renewed our commitment to take all possible measures to address this multifaceted and structural crisis. In this respect, we have committed over US\$ 10 billion since January 2008, and called on other donors to participate along with us in making further commitments.

We discussed a wide range of short, medium and long-term responses, and agreed to take a number of actions as specified in our special statement on Global Food Security, including ensuring the compatibility of policies for the sustainable production and use of biofuels with food security. These actions are aimed at assisting those suffering from food insecurity or hunger, strengthening the world market and trade system for agriculture and food, and stimulating world food production and increasing agricultural productivity. Above all, we stressed the importance of reversing the overall decline of aid and investment in the agricultural sector, and committed to significantly increasing our support for developing countries initiatives

in this field, including working towards doubling production of key food staples in certain African countries within 5-10 years.

We established a G8 Experts Group to monitor the implementation of our commitments. The Group will also support the High Level Task Force on the Global Food Crisis led by the UN Secretary General, and work with the international community in forming a global partnership, strengthening and building on existing institutions and involving all stakeholders, including developing country governments, the private sector and civil society. We also agreed to hold a G8 agricultural ministers' meeting and to review the progress on this issue at our next Summit.

IV Political Issues

DPRK: We remain committed to achieving the verifiable denuclearization of the Korean Peninsula. We urge DPRK, in accordance with the Joint Statement of September 19, 2005 and UNSCRs 1695 and 1718, to abandon all nuclear weapons and existing nuclear programs as well as ballistic missile programs and return to full compliance with its NPT obligations. We expressed our continuous support of the Six-Party Talks and welcome, though long overdue, DPRK's provision of a declaration as an important step toward achieving these goals. We stress the importance of verifying the declaration, look forward to an early agreement on the principles/regime of verifying the declaration and urge DPRK to fully cooperate in the verification, as well as to swiftly disable all existing nuclear facilities. We emphasize the importance of accelerating the Six-Party Talks toward the full implementation of the Joint Statement of September 19, 2005 including the abandonment of all nuclear weapons and existing nuclear programs by DPRK. We also strongly urge DPRK to take prompt actions to address other security and human rights/humanitarian concerns including the early resolution of the abduction issue.

Iran: We expressed serious concern over Iran's failure to comply with its international obligations under successive UNSCRs, in particular to suspend all enrichment-related activities. We remain committed to a diplomatic solution to the issue through the dual track approach. We support the efforts of China, France, Germany, Russia, the United Kingdom and the United States as well as the high-level dialogue by the Presidency with Iran. We call on Iran to respond to the updated incentives package in a constructive manner. We also urge Iran to act in a more responsible and constructive manner in the region, particularly in the context of the Middle East Peace Process and the stability of Iraq and Afghanistan.

Afghanistan: We renew our commitment to support Afghanistan. We, at the same time, strongly encourage the Afghan Government to assume greater responsibility for security, governance and reconstruction. We support the strengthened mandate of UNAMA and Special Representative of UN Secretary-General Kai Eide in their key role as overall coordinator. We appreciate the role being played by ISAF and Operation Enduring Freedom, including its maritime component, in support of this effort. We will accelerate our assistance to build the Afghan National Army and Police and in other elements of security sector reform, including Disbandment of the Illegal Armed Groups (DIAG), justice reform and counter-narcotics. We welcome the outcome of the International Conference in Paris in June and commit ourselves to working toward increasing aid effectiveness. We underscore our commitment to support presidential and parliamentary elections. We agreed to strengthen our assistance to the border region between Afghanistan and Pakistan as an integral part of our strategy to combat terrorism.

Middle East: We reiterated our full support for the Israeli-Palestinian negotiations with a view to reaching an agreement by the end of 2008. We call on all parties to refrain from any action that would undermine the negotiations and to implement their Road Map obligations, such as freezing all settlement activities and ending all acts of violence, terrorism and incitement. We welcome the truce in Gaza that came into effect recently and call for its observance. We remain committed to continuing to provide assistance to the Palestinians and helping to strengthen the Palestinian institutions. We look forward to a comprehensive peace between Israel and its neighbors.

Sudan: We reiterated our deep concern about the deteriorating security and humanitarian / human rights situation in Sudan. We urge all parties to commit to reengaging with the peace process. We continue to support UNAMID, encourage countries to provide assistance to the mission, and urge the Government of Sudan to assist in expediting its full deployment. With regard to Darfur, we call on all parties concerned to abide by their obligations under the relevant UNSCRs; we would otherwise support further appropriate action in the UN Security Council. We call on Sudan and Chad to comply with the existing peace agreements. We also call on the parties concerned to fully implement the 2005 Comprehensive Peace Agreement in good faith and reiterate our support for UNMIS.

Myanmar: We call on the authorities of Myanmar to lift all remaining restrictions on international aid and to improve the transparency of the incoming aid to the cyclone-affected areas. We expressed concern about the current political situation in Myanmar. We call on Myanmar to foster a peaceful transition to a legitimate, democratic, civilian government. We encourage the authorities of Myanmar to engage all stakeholders in an inclusive and transparent political process. In this context, we call on Myanmar to immediately release political detainees including Aung San Suu Kyi. We strongly support the UN Secretary General's good offices mission and urge Myanmar to cooperate fully with Special Adviser Ibrahim Gambari. We are prepared to respond positively to substantive political progress undertaken by Myanmar.

Zimbabwe: We issued a separate statement. We also discussed the situation in Zimbabwe with African leaders at the outreach session of 7 July and shared our concern with them.

Nigeria: We shared the concern of the Nigerian government about the violence in the Delta region of Nigeria. We will support the Nigerian Government's efforts to improve the security situation and prospects for development.

Civil Nuclear Cooperation with India: We look forward to working with India, the International Atomic Energy Agency, the Nuclear Suppliers Group and other partners to advance India's non-proliferation commitments and progress so as to facilitate a more robust approach to civil nuclear cooperation with India to help it meet its growing energy needs in a manner that enhances and reinforces the global non-proliferation regime.

Views from G11 and other institutions: We are grateful for the valuable contributions we received during our preparation stages from various Heads of State or Government and institutions, including from the Jordanian Presidency of the G11.

V

At the outreach session of 7 July, we met with the leaders of Algeria, Ethiopia, Ghana, Nigeria, Senegal, South Africa, Tanzania and the African Union as well as the Heads of the United Nations and the World Bank and discussed development issues in Africa; the outcomes of

TICAD IV, global challenges including rising food prices and the Millennium Development Goals.

At the outreach session in the morning of 9 July, we met with the leaders of Brazil, China, India, Mexico and South Africa and discussed the Heiligendamm Process.

During the working lunch following the Major Economies Leaders Meeting, we met with Australia, Brazil, China, India, Indonesia, Mexico, Republic of Korea and South Africa with attendance of the Heads of the United Nations, World Bank, the International Monetary Fund, Organization for Economic Cooperation and Development, the International Energy Agency, and discussed important global issues; world economy including rising oil prices, rising food prices and development.

VI

G8 Summit 2009: We welcome the offer of the Prime Minister of Italy to host our next Summit in Italy in 2009.