

CHAIR'S SUMMARY

Evian, 3 June 2003

We met in Evian for our annual Summit, confident that, through our joint efforts, we can address the challenges of promoting growth, enhancing sustainable development and improving security. Our discussions with the Leaders of emerging and developing countries (Algeria, Brazil, China, Egypt, India, Malaysia, Mexico, Nigeria, Saudi Arabia, Senegal, South Africa) and with the President of the Swiss Confederation and the representatives of the UN, the World Bank, the IMF and the WTO provided an opportunity for an exchange of views on growth and international co-operation. New proposals have been put forward which could underpin our future work. The following is a summary of our decisions.

1. Strengthening Growth World-Wide

Macro-economics, structural reforms, trade and responsible market economy. Our economies face many challenges. However, major downside risks have receded and the conditions for a recovery are in place. We are confident in the growth potential of our economies. We reaffirm our commitment to multilateral co-operation, to achieve the objectives and overall timetable set out in the Doha Development Agenda as reflected in our Action Plan on Trade, and to implement sound macro-economic policies supportive of growth, while ensuring domestic and external sustainability. Our common responsibility is to raise growth in our own economies, and thus contribute to a stronger global economy.

As this contribution should rely more strongly on structural reforms and flexibility, we therefore reaffirm our commitment to:

- implement structural reforms of labour, product and capital markets;
- implement pension and health care reforms, as we face a common challenge of ageing populations;
- raise productivity through education and lifelong learning and by creating an environment where entrepreneurship can thrive, fostering competition and promoting public and private investment in knowledge and innovation;
- strengthen investor confidence by improving corporate governance, enhancing market discipline and increasing transparency;
- the principles of our Declaration on Fostering Growth and Promoting a Responsible Market Economy, accompanied with specific actions to improve transparency and to fight corruption more effectively, including a specific initiative on extractive industries.

Prevention and resolution of financial crisis. We welcomed the progress achieved over the last year on strengthening the international framework for financial crisis prevention and resolution so as to improve conditions for sustained private investment in emerging markets. The IMF should continue to enhance its surveillance by making it more comprehensive, independent, accountable and transparent. It should also pursue work on issues of general relevance to the restructuring of sovereign debt. We will exercise improved discipline in the provision of official finance.

We remain committed to promoting an early and widespread adoption of collective action clauses, building on the concrete steps already taken by several countries. We welcome initiatives being taken by issuers, the private sector and our officials on the development of a Code of Conduct. We look forward to their progress.

We welcomed the agreement reached by our Finance Ministers on a new tailored Paris Club approach for responding to debt problems of non-HIPC countries. We expect this "Evian approach" to address debt sustainability problems more conclusively, while ensuring that debt restructuring remains the last resort.

We look forward to the results of ongoing efforts to strengthen the international framework for financial crisis prevention and resolution.

2. Enhancing Sustainable Development

We focused on the implementation of the internationally agreed Millennium and Johannesburg Development Goals in the following areas:

Africa. Our discussions with the Presidents of Algeria, Nigeria, Senegal and South Africa, the Leaders of countries represented on the NEPAD Steering Committee, demonstrated our common will to contribute to the development of Africa. We endorsed the report prepared by our Africa Personal Representatives. We agreed to widen our dialogue to other African Leaders on NEPAD and the G8 Africa Action Plan. We invite interested countries and relevant international institutions to appoint senior representatives to join this partnership. We will review progress on our Action Plan no later than 2005 on the basis of a report.

Famine. To alleviate the threat facing millions of people, especially in Africa, we committed to responding to the emergency food aid needs and agreed on ways to improve famine prevention mechanisms and long term food security.

Water. Following on from the Kyoto World Water Forum, we adopted an Action Plan to help meet the Millennium and Johannesburg goals of halving the number of people without access to clean water and sanitation by 2015.

Health. We agreed on measures to:

- strengthen the Global Fund to Fight AIDS, Tuberculosis and Malaria, and other bilateral and multilateral efforts, notably through our active participation in the donors' and supporters' conference to be hosted in Paris this July;
- improve access to health care, including to drugs and treatments at affordable prices, in poor countries;
- encourage research on diseases mostly affecting developing countries;
- mobilise the extra funding needed to eradicate polio by 2005;
- improve international co-operation against new epidemics such as SARS.

Financing for development. We reaffirmed our commitment to address the challenge of global poverty and our support for the Millennium Development Goals and the Monterrey consensus. We noted that achieving these ambitious goals would require considerable efforts from both developed and developing countries, including increased resources. We welcomed the report of our Finance Ministers' discussions on our increased resources and on financing instruments. We invite them to report back to us in September on the issues raised by the financing instruments, including the proposal for a new International Finance Facility.

Debt. We reaffirmed our commitment to the Heavily-Indebted Poor Countries (HIPC) initiative, launched at our Cologne Summit. Since Kananaskis, where we pledged to provide our share of the shortfall of up to \$1 billion, progress has continued in the implementation of the HIPC initiative. Twenty-six of the world's poorest countries are now benefiting from debt relief, totalling more than \$60 billion committed in nominal terms. However, in the light of continued implementation challenges and the slow pace of country progress in the initiative, we have identified the following priority areas:

- To encourage and assist eligible countries in taking the steps necessary to complete the HIPC process, our Finance Ministers asked the IMF and the World Bank to identify, by their next Annual Meetings, the specific impediments in each country and the steps that need to be taken to tackle them;
- Not all official and commercial creditors have yet agreed to participate in the initiative. We urged the IMF and the World Bank to intensify their efforts to secure the full participation of all creditors. Further options to deal with the issues of litigation should also be explored;
- We welcomed the progress made towards completing our commitment in Kananaskis to fill the estimated financing gap in the HIPC Trust Fund, through the pledges of \$850 million made in Paris in October 2002. We will continue to monitor the financing needs of the Trust Fund;
- We reaffirmed the objective of ensuring lasting debt sustainability in HIPC countries and noted that these

countries will remain vulnerable to exogenous shocks, even after reaching completion point. In this context, we have asked our Finance Ministers to review by September mechanisms to encourage good governance and the methodology for calculating the amount of "topping-up" debt relief available to countries at completion point based on updated cost estimates. Market-based mechanisms and other effective instruments to address the impact of commodity price fluctuations on low-income countries should also be explored.

E-Government. We welcomed work on the e-government model promoting efficiency and transparency in developing countries and will work towards enlarging the number of beneficiary countries.

" Human Security. We took note of the report of the Commission on Human Security submitted to the United Nations Secretary-General.

Science and technology for sustainable development. We adopted an Action Plan on how best to use science and technology for sustainable development focused on three areas:

- global observation;
- cleaner, more efficient energy and the fight against air pollution and climate change;
- agriculture and biodiversity.

Those of us who have ratified the Kyoto Protocol reaffirm their determination to see it enter into force.

Illegal logging. From the perspective of sustainable forest management, we confirmed our determination to strengthen international efforts to tackle the problem of illegal logging.

Marine environment and tanker safety. We endorsed an Action Plan to reduce the threat posed by excessive exploitation of marine resources and to enhance maritime security.

Nuclear safety. In accordance with our statement at Kananaskis, we established the G8 Nuclear Safety and Security Group, and adopted its mandate and the Core Principles shared by each of us, to promote the safe and secure use of civil nuclear technology.

3. Improving Security

Commendable progress has been achieved against terrorism world-wide. However, we note with concern the remaining threats of terrorist networks, the challenges of proliferation of weapons of mass destruction in several countries and the risks to peace and security that unresolved conflicts pose to the world.

Non-proliferation. We adopted a Statement on the proliferation of weapons of mass destruction and endorsed an Action Plan on the prevention of radiological terrorism and the securing of radioactive sources.

Terrorism. We adopted an Action Plan on capacity building against terrorism and created a Counter-Terrorism Action Group (CTAG), in support of UN Counter-Terrorism Committee (CTC), in order to combat terrorist groups world-wide. One of the best ways to do it is to choke off the flow of financing that supports it. We direct Finance Ministers to assess progress and identify next steps. To develop strengthened co-operation, we also ask Ministers to initiate a dialogue with counterparts in other countries, including those whose financial institutions, both formal and informal, may serve as conduits for such financing, at their forthcoming meeting in Dubai next September.

Transport security and control of Manpads. In order to reduce further the risks of terrorist action against mass transportation, we reviewed the implementation of the measures agreed upon at Kananaskis and decided to take new initiatives concerning sea and air transport security. We agreed on actions to prevent the use of Man-Portable Air Defence Systems (Manpads) against civil aviation.

Global Partnership. We reaffirmed our Kananaskis commitments to prevent terrorists, or those that harbour them, from acquiring weapons of mass destruction. To that end, we reviewed the implementation of the Global Partnership Against the Spread of Weapons and Materials of Mass Destruction launched last year. We welcomed the progress achieved so far. We are determined to sustain and broaden our efforts towards:

- reaching our Kananaskis commitment of raising up to US\$20 billion over 10 years;
- developing and initiating concrete and worthwhile projects;
- fully implementing the guidelines;
- opening this initiative to new countries.

To this end, we endorsed an Action Plan on the Global Partnership.

" Small arms. We welcomed the upcoming meeting of States on the illicit traffic in small arms to be held at the United Nations in New York in July 2003.

4. Regional Issues

Iraq. We welcomed the unanimous adoption of United Nations Security Council Resolution 1483 and share the conviction that the time has now come to build peace and reconstruct Iraq. Our shared objective is a fully sovereign, stable and democratic Iraq, at peace with its neighbours and firmly on the road to progress. We welcomed the announcement made by the UN regarding a preparatory meeting for an international conference on the reconstruction of Iraq.

Israel and Palestine. We welcomed the approval by the Palestinians and by Israel of the Quartet Roadmap and emphasised our determination to jointly support its implementation. We discussed the desirability of reaching a comprehensive peace settlement that includes Syria and Lebanon. We tasked our relevant Ministers to examine as soon as possible the measures necessary to support a plan for the revitalisation and reconstruction of the Palestinian economy, including the leveraging of private investment, within the framework of the Middle East Peace Process.

North Korea. We addressed the North Korean nuclear issue in our Statement on non-proliferation. We support the efforts made by the different parties to seek by peaceful means a comprehensive solution to the North Korean nuclear issue and to other matters, including unresolved humanitarian problems such as the abductions. We also support the Peace and Prosperity Policy pursued by the Republic of Korea.

Afghanistan. We confirmed our support for President Karzai's Transitional Administration. We reaffirmed that the Bonn Process needs to be fully implemented, in both spirit and substance. We expressed our remaining concern on the security situation. In order to combat drug trafficking from Afghanistan, we support full implementation of the Afghan National Drug Strategy and the "Paris Pact" proposed on 22 May by the United Nations during the Conference on Drug Routes.

Iran. We addressed the proliferation implications of Iran's advanced nuclear programme in our Statement on non-proliferation.

Algeria. We expressed our deepest sympathy for the Algerian people after the recent devastating earthquakes. We are providing urgent humanitarian aid and, to address the financial consequences of this situation, we are instructing our relevant Ministers to report within one month on how best to help Algeria recover.

Zimbabwe. We are concerned about reports of further violence by the authorities in Zimbabwe against their own people. We called on the Government of Zimbabwe to respect the right to peaceful demonstration. Consistent with the fundamental principles of the NEPAD partnership, we welcomed the contribution of other African States to promoting a peaceful resolution of the crisis and a prosperous and democratic future for the people of Zimbabwe.

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We welcomed the offer of the President of the United States to host our next Summit in 2004.