

More of the Same or Something New?

Development and the G20

Simon Maxwell¹²

More of the same?

There is an easy answer to questions about the development agenda at the G20, and a more challenging one.

The easy answer is more of the same. Development, it can be argued, has been an important thread throughout all the G20 discussions, including London, Pittsburgh and Toronto; and will obviously be on the agenda in Seoul, not least because of the creation of the Working Group on Development. There are strong links, and many cross-references, between the G20 process and others, including the G8, the UN MDG Summit, the trade talks, and the climate change talks, among others. The argument can roughly be summarised in a ten-point programme, as follows:

1. There are still many poor people in the world;
2. The financial crisis made poverty worse;
3. The poor are subject to significant other shocks, and adverse trends, not least climate change;
4. Aid is an essential part of the solution, hence the importance of tracking and meeting oda pledges;
5. Aid should be administered by a well functioning international system, hence support for the aid effectiveness agenda, and the emphasis on reform of the multilateral system (UN, BWI, MDBs);
6. Especial urgency is needed to tackle lagging MDGs, hence the G8 maternal and child mortality initiative, and the recurrent references to food security, among others;
7. Equitable trade rules and a well-managed financial system provide essential underpinning of an open and market-led economy, hence Doha, the FSB and other elements of financial sector reform;
8. The same is true of a climate deal, hence positive references to the UNFCCC;
9. Of course, the private sector and private financial flows are important.
10. The G20 is a good forum to provide leadership and coordination in pursuit of development goals.

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Appendix 1 contains highly selective quotations from the various Summits to illustrate these points. In reading the declarations and communiqués, it is important to resist the temptation to think that financial stability and other global macro-economic questions (including imbalances) are not development issues – they are. However, it is also worth saying that there sometimes seems to be a disconnect between the various sections of the communiqués, or perhaps better a difference of emphasis. Over the past two years, financial stability, fiscal stimulus and exit strategies have unsurprisingly dominated the G20 agenda – perhaps at the expense of what might be considered a traditional development agenda.

A better balance would be desirable in the future. As this begins to be possible, assuming the threat or reality of a double-dip recession does not come to dominate discussion, it will be necessary also to review the integrity and robustness of the development narrative. For example, consider these four points:

- Most poor people now live in middle income countries which may not need aid, rather than in low income countries which definitely do; of the remainder, many live in fragile states, where aid is difficult to disburse and where a different approach to development may be required;
- Many developing countries have bounced back from the recession more quickly than developed countries, and have higher rates of growth; some of them have done this, at least in part, by apparently ignoring G20 strictures on open economies and free markets;
- Despite their rhetoric, many developed countries have become less committed to development, as traditionally defined, with consequent erosion of their commitment to increased levels of oda;
- Global issues have become major drivers of development policy, leading to a reallocation of financial and political capital away from country-led development programmes towards engagement with regional and global public goods; however, it is not axiomatic that this means an equal enthusiasm for multilateralism.

The challenge of a new geography of poverty

First, the geography of poverty has changed, with implications for development policy. The majority of the poor now live in middle income countries, This is partly because some countries containing large numbers of poor people, including India and China, have now

become middle income; but there are many other ‘new MICs’³. A new paper by Andy Sumner summarises the situation as follows, with data for 2007-8 in table 1:

‘In 1990, 93% of the world’s poor people lived in poor countries - meaning low-income countries (LICs) . . . Three-quarters of the world’s approximately 1.3 billion poor people now live in middle-income countries (MICs) and only about a quarter of the world’s poor live in the remaining 39 low-income countries, largely in sub-Saharan Africa. This is then a startling change over two decades and it implies there is a new ‘bottom billion’ who do not live in fragile and conflict-affected states but largely in stable, middle-income countries.’

Table 1

**Summary estimates - global distribution of the world’s poor by country type, 2007/8
(million and %)**

	Fragile and conflict-affected	Not fragile or conflict-affected	Total
Low income	156 (12)	214 (16)	371 (28)
Middle income	144 (11)	813 (61)	957 (72)
Total	300 (23)	1027 (77)	1329 (100)

Note: Numbers may not add because of rounding

Source: Sumner 2010

Should middle income countries receive aid? And, if so, how much and of what type? Donors are often somewhat ambiguous in their answers to these questions. In its 2001 middle income strategy, for example, DFID argued both that

‘Middle-income country governments must lead the fight against poverty in their own countries. The main effort of the international community should be directed towards improving the broader policy environment, including reducing barriers to trade and improving the international financial architecture.’

And that

‘Although less significant in overall terms, official aid flows will remain substantial for the foreseeable future. These need to be better targeted, better coordinated and more effective. Technical assistance has a particularly important part to play.’

³ Sumner lists 27 post-2000 MICs, including Cameroon, Cote d’Ivoire, Pakistan and Vietnam.

The first statement implies a reduction in aid; the second continuation, but with a change of composition towards technical cooperation (and, as evident from the full text, a shift from grants to loans). It is not irrelevant that certain middle income countries, for example India, have strong historic links with the UK, and strong expatriate communities in the UK. Reducing aid is not an easy choice for Ministers to make.

Meanwhile, Table 1 shows that 23% of the poor live in fragile states, about half in low income countries and half in middle income countries. It might be thought that the case for aid to low income fragile states is unambiguous. However, as is well known, spending money in fragile and conflict-affected states is not easy, except perhaps in the humanitarian sphere. By definition, governance and government systems are weak, authority is often disputed, and aid can lubricate rather than impede conflict.

A narrative is thus waiting to be written on development, one which will be very difficult for the development community to handle. If middle income countries do not need aid, and if aid is hard to spend in fragile states, what is to be done with all the money pledged at successive summits and UN meetings?

How strongly does the G20 hold to the Washington Consensus?

A second issue is about the shift in economic dynamism to the East and South, and about the development models that pertain. Figure 1 shows a marked difference in expected GDP growth rates in 2010-11, as between Europe, the US and Japan, on the one hand, and the rest of the world on the other, including especially most of Asia, Latin America and Africa. This is not a new phenomenon, and Figure 2 shows that the share of global GDP that arises in Asia, particularly, has risen to over a third.

Figure 1

Average real GDP growth during 2010-11 (%)

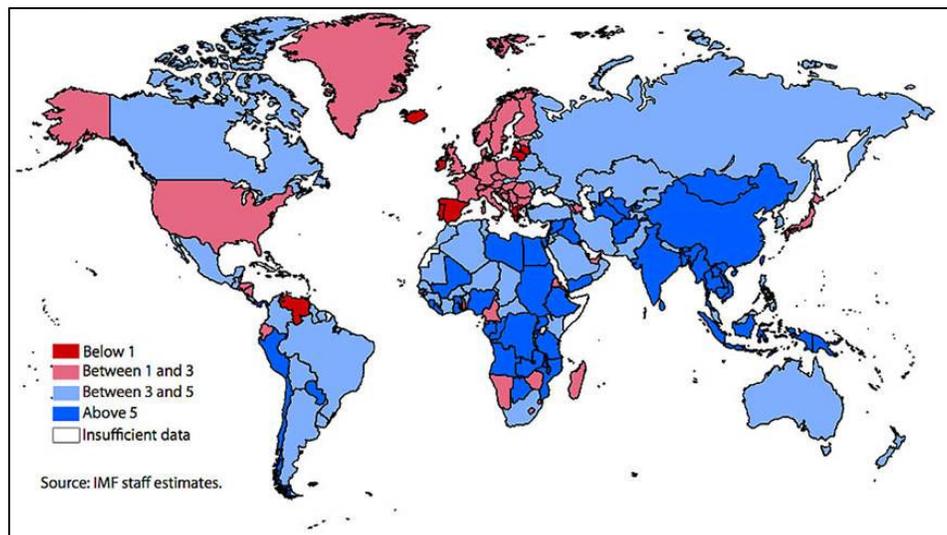
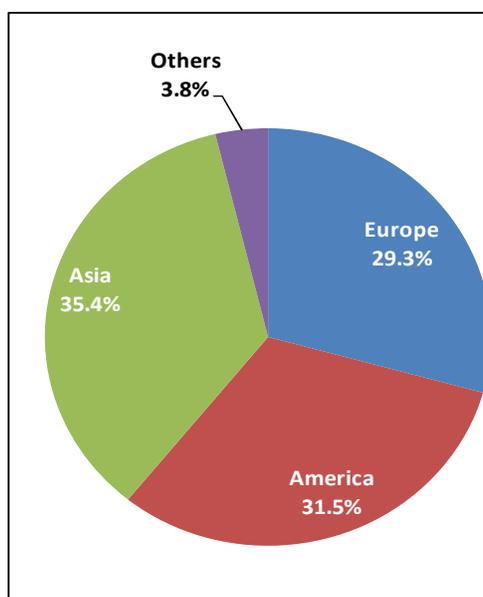


Figure 2

Percentage distribution of real GDP in the world economy



Source: ADB

The G20 has argued for an open and market-led economy, and it would be convenient if differential rates of growth could be explained by reference to a particular economic model – for the sake of argument, a Washington Consensus model. In fact, an active debate is underway about development models. The G20 has reflected one set of views, for example concluding in April 2009 that

‘We believe that the only sure foundation for sustainable globalisation and rising prosperity for all is an open world economy based on market principles, effective regulation, and strong global institutions.’

On the other hand, other observers have given more emphasis to the role of the state and to the importance of public expenditure. Thus, reporting to the UN General Assembly, the Stiglitz Commission argued in 2009 that

‘The ideas and ideologies underlying key aspects of what has variously been called neo-liberalism, market fundamentalism, or the Washington consensus doctrines have been found wanting.’ (Para 136)

These concerns are reflected in the work of organisations like UNCTAD. A contribution by UNCTAD, for the Trade and Development Board meeting in May 2009, concluded that

‘Developing countries need to continue to address income inequality and to invest more in education, training, trade-adjustment assistance, health care, community development and tax policy.’

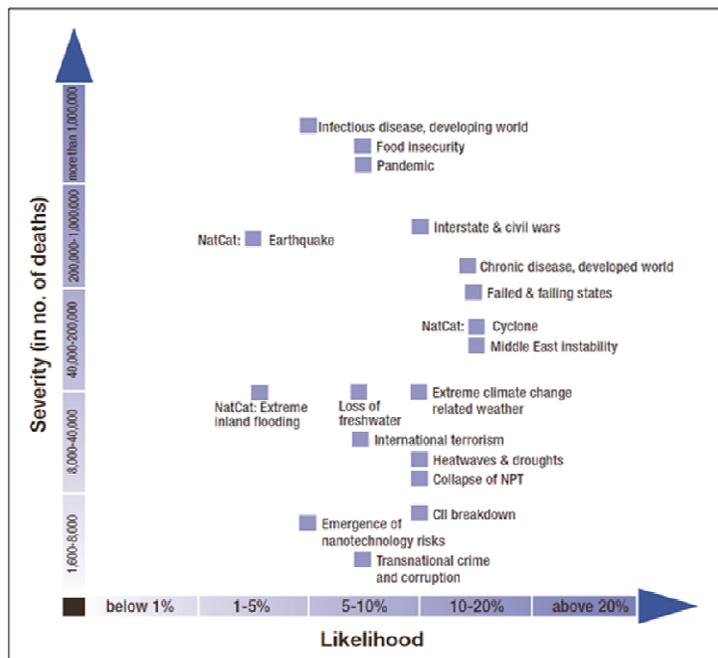
(http://www.unctad.org/en/docs/cicrp1_en.pdf).

ILO, similarly, has agreed a ‘Global Jobs Pact’, focusing on protecting employment, delivering public services, and building social protection for all⁴. This has been picked up by the G20.

My own take has been to focus on the ‘capability’ of countries, not just to recover to the status quo ante, but to prepare their economies and societies for the next big wave of change and challenges, some of which can be thought of as risks (see Figure 3), but some of which (like technological breakthroughs) can be thought of as opportunities. A useful way of thinking about capability is the World Economic Forum’s competitiveness model, summarised in Figure 4. Korea ranks 9th on this list; China 29th; India 49th.

Figure 3

The 18 Core Global Risks: Likelihood with Severity by Number of Deaths

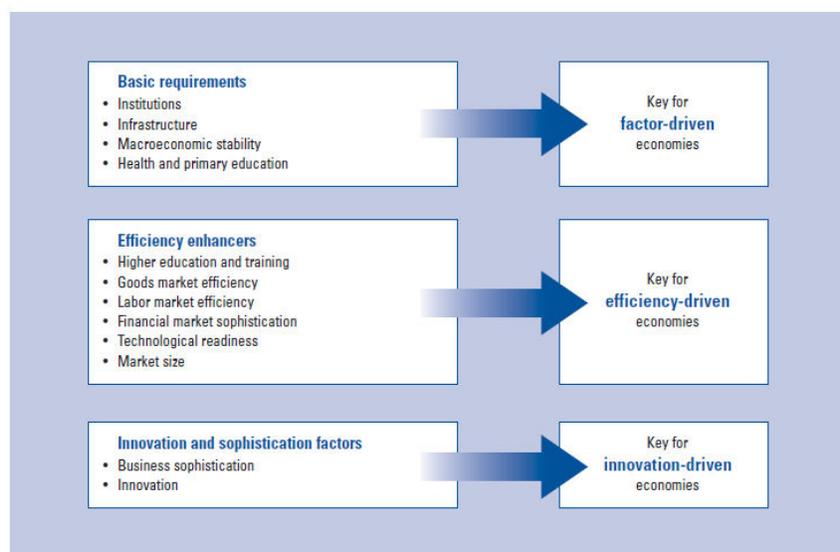


Source: World Economic Forum- Global Risks 2008

⁴ See : http://www.ilo.org/global/What_we_do/Officialmeetings/ilc/ILCSessions/98thSession/pr/lang--en/docName--WCMS_108456/index.htm

Figure 4

Capability: 12 'Pillars of Competitiveness' in the WEF Competitiveness Index



If countries wish to rise up the ranking, they will need to invest in the pillars, or drivers of competitiveness: for example, in higher education and training, technological readiness, and innovation. They may also need to adopt an active industrial policy, including protection in some cases (see, for example, the exchange on this between Justin Lin and Ha Joon Chang⁵).

Development in a downturn

The third issue is about the commitment to development among the traditional aid donors, and the implications for aid architecture. Despite repeated declarations at Summits, there is evidence that some countries are resiling from commitments, and that others are reorienting aid away from traditional MDG expenditures towards, for example, supporting foreign policy objectives in places like Afghanistan.

The latest estimates of aid volume for 2010 have been provided by the Development Assistance Committee of the OECD (Figure 5), showing a likely deficit of over \$US 10 billion compared to Gleneagles commitments. A review of European commitments by CONCORD and AidWatch concludes that:

‘. . . all evidence indicates that 2010 will not see significant improvements. According to official estimates, 2010 aid levels are expected to reach a maximum of 0.46% of the GNI, far from the 0.56% collective target and over €11bn short in terms of funding. Most of these shortfalls will be consequence of insufficient funding by Italy (€4.5bn), Germany (€2.6bn) and France (€800m).

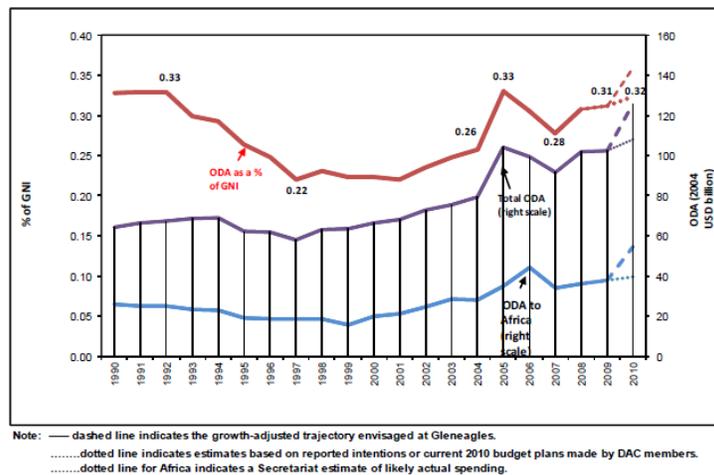
⁵ See <http://www.econ.cam.ac.uk/faculty/chang/pubs/DPRLin-Changdebate.pdf>

Official aid figures, however, fail to capture the reality of European aid flows. In 2009, European countries reported €3.8bn of inflated aid as ODA, or almost 8% of the total figure. A breakdown of the data shows that €1.4bn was debt cancellation, €1.5bn student costs and almost €1bn was spent on refugees in donor countries.

Once inflated aid is discounted from the officially reported ODA figures, aid levels drop to 0.38% of European GNI. If EU Member States continue the current trend and once inflated aid is discounted, EU countries will fall €19bn short of their promises in 2010. This is a significantly larger amount than the €11bn shortfall official figures predict.⁶

Figure 5

DAC Members' Net oda 1990-2009 and DAC Secretariat simulations of net oda to 2010



Source: OECD, 14 April 2010.

There are genuine dilemmas for aid donors in defending aid volumes at a time of recovery from recession and of severe public expenditure constraints. Even in countries where public opinion has been strongly supportive of development, the likelihood of severe public expenditure cuts may lead to erosion of support. For example, the results of a recent UK panel study published by the Institute of Development Studies at the University of Sussex show that more than half of the population support aid to poorer countries, but that 63% believe aid should be cut as part of efforts to reduce the budget deficit: this at a time when aid budgets have formally been ring-fenced⁷.

⁶ Concord and Aid Watch, 2010, Penalty Against Poverty: More and better EU aid can score Millennium Development Goals

⁷ Spencer Henson and Johanna Lindstrom, 2010, Aid to Developing Countries: Where Does the UK Public Stand? Results and Analysis from the UK Public Opinion Monitor, Institute of Development Studies, University of Sussex, September

Faced by pressures such as these, Governments may reduce aid, or use the aid budget to cover a wider set of commitments than in the past. It would be surprising, for example, if European donors, at least, were to spend less on refugees or students than in the past. More is likely to be spent in support of foreign policy objectives (without violating DAC rules on what counts as aid, though those rules may come under scrutiny, for example to allow more spending on security). A particular concern is whether aid funds will be used to meet climate commitments, including the Copenhagen commitment to spend up to \$US 100 bn a year on mitigation and adaptation by 2020. Although some donors have pledged to ensure that no more than a certain percentage of aid is spent on climate matters (the previous UK Government specified 10%), the evidence is that a good part of 'fast start' finance is not additional, and is being drawn from aid budgets⁸.

Donor governments can also be expected to frame development as being about making the world safer for their own populations: combining a moral case with self-interest. This was the case, for example, of the UK White Paper of 2009, which talked about development in terms of common interest. Thus,

'For many, the moral imperative to end poverty is reason enough to act. As the world becomes richer and more sophisticated, we increasingly have the means to end poverty, and our excuses for failing to do so are becoming progressively more threadbare. But in the 21st Century, development is not merely a moral cause, it is also a common cause. The success and security of other countries profoundly affect our own success and security. Justice, security and prosperity are indivisible: none of us can fully enjoy them unless we all do. Building Britain's future and building our common future go hand in hand.'

Shifting from national to regional and global issues

Finally, it may seem perverse to suggest this in the month of the New York Summit on the Millennium Development Goals, but there are good grounds to think that the development agenda will increasingly be driven by regional and global issues. Indeed, this is not surprising, given the preceding analysis: middle income countries expected to tackle poverty with limited help from rich countries; global issues high on the agenda of grouping like the G20; and the need to 'sell' development in rich countries as being part of investment in making the world safer. Current concerns include: climate; food security; water; pandemics; financial contagion; drugs; crime; and nuclear proliferation. These topics have been highlighted in many reports, including the report of the Task Force on Global Public Goods.

⁸ See e.g. <http://www.faststartfinance.org/>; and, for a discussion of additionality: <http://www.odi.org.uk/resources/details.asp?id=4931&title=climate-finance-additionality-definitions-implications>

The link between global issues and the Millennium Development Goals is partly through MDG Goal 8. This has been regarded as a very weak goal, containing a number of somewhat unrelated targets and indicators (Figure 6). A better structure is needed, which sets outcome targets, as is the case with some other MDGs. For example, when it come to trade, it would be interesting to specify not just the characteristics of a system, as in Target 8a, or that levels of tariffs should be monitored, but rather to provide specific numbers for average tariffs – or in the case of agriculture for producer support.

Figure 6

MDG8: A Global Partnership for Development

Target 8a: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system

Includes a commitment to good governance, development and poverty reduction; both nationally and internationally

Target 8b: Address the special needs of the least developed countries

Includes tariff and quota free access for the least developed countries' exports; enhanced programme of debt relief for heavily indebted poor countries (HIPC) and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction

Target 8c: Address the special needs of landlocked developing countries and small island developing

States through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly

Target 8d: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term.

Indicators for Targets 8a, 8b, 8c and 8d:

Official development assistance (ODA)

- 8.1 Net ODA, total and to the least developed countries, as percentage of OECD/DAC donors; gross national income
- 8.2 Proportion of total bilateral, sector-allocable ODA of OECD/DAC donors to basic social services (basic education, primary health care, nutrition, safe water and sanitation)
- 8.3 Proportion of bilateral official development assistance of OECD/DAC donors that is untied
- 8.4 ODA received in landlocked developing countries as a proportion of their gross national income
- 8.5 ODA received in small island developing States as a proportion of their gross national incomes

Market access

- 8.6 Proportion of total developed country imports (by value and excluding arms) from developing countries and least developed countries, admitted free of duty
- 8.7 Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries
- 8.8 Agricultural support estimate for OECD countries as a percentage of their gross domestic product
- 8.9 Proportion of ODA provided to help build trade capacity

Debt sustainability

- 8.10 Total number of countries that have reached their HIPC decision points and number that have reached their HIPC completion points (cumulative)
- 8.11 Debt relief committed under HIPC and MDRI Initiatives
- 8.12 Debt service as a percentage of exports of goods and services

Target 8e: In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries

- 8.13 Proportion of population with access to affordable essential drugs on a sustainable basis

Target 8f: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications

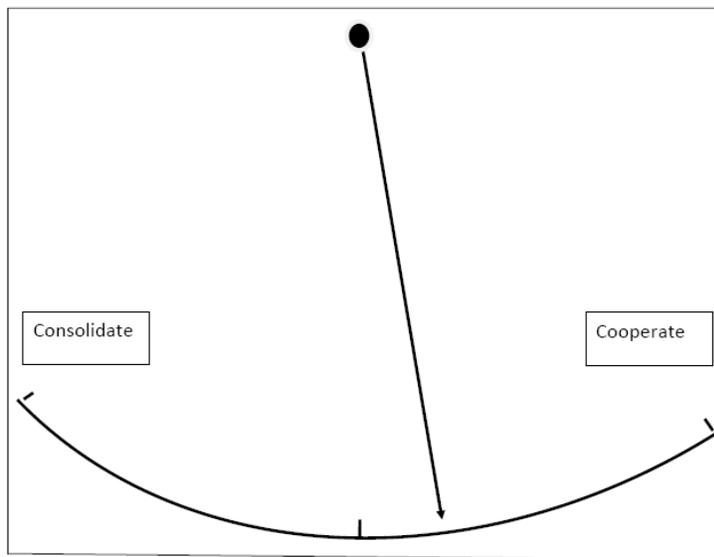
- 8.14 Telephone lines per 100 population
- 8.15 Cellular subscribers per 100 population
- 8.16 Internet users per 100 population

An important issue for the G20 is the extent to which a new emphasis on global public goods will encourage a commitment to multilateralism. On the one hand, it might be thought that an emphasis on global issues is necessarily multilateral. On the other hand, recent evidence (trade, climate) illustrates the difficulty of maintaining momentum and reaching solutions.

In work on the European Union, we have characterised the choice as being about cooperation on the one hand versus consolidation on the other, introducing the idea of a 'swingometer' as in Figure 7. We have also explored the conditions under which cooperation or consolidation are more likely, as in Figure 8⁹. Our research among opinion leaders in Europe showed that there was a strong preference in the European context for cooperation, in the sense of setting international norms, and rather little (in the development field) for consolidation. Thus, instruments like the European Consensus on Development or the Code of Conduct on Division of Labour were favoured, but channelling a greater share of aid through the European Commission was not. It would be interesting to ask similar questions in a G20 context.

Figure 7

Cooperate or Consolidate: The European Swingometer



⁹ The source for Figures 7 and 8 is [http://www.die-gdi.de/CMS-Homepage/openwebcms3.nsf/\(ynDK_contentByKey\)/ANES-875B3N/\\$FILE/DP%206.2010.pdf](http://www.die-gdi.de/CMS-Homepage/openwebcms3.nsf/(ynDK_contentByKey)/ANES-875B3N/$FILE/DP%206.2010.pdf)

Figure 8
Conditions under which consolidation/ cooperation are more likely

Consolidation more likely	Cooperation more likely
Exclusive competence	Shared competence
High spillovers	Low spillovers
Narrowly defined areas of collaboration	Broadly defined areas of collaboration
Binding rules of international cooperation	Soft law
Consensus-based decision-making	Majority decision-making
Similar Member States' interests, preferences and policy positions	Heterogeneous Member States' interests, preferences and policy positions
Equal power distribution	Unequal power distribution
Shared norms	Lack of shared norms

More generally, research on collective action in the international environment suggested that success required a combination of an enabling social environment and rational self-interest: a mutually reinforcing mix of culture and calculus. This led to an eight-step programme for improved collective action:

- Keep the core group small.
- Develop trust-building measures from the beginning.
- Use the same core group for as many issues as possible, in order to keep transactions costs down and benefit from what economists call economies of scope.
- Make it awkward or embarrassing not to cooperate. Leaders themselves can do this, but civil society plays an important role.
- Choose the right issues. These are the ones where all the players have something to gain and something to lose.
- Genuine global public goods look like a particularly good bet.
- Now start to think about positive incentives.
- Perhaps as a last resort, the lesson that collective action is often most successful when the costs of defection are high. More aid may be a carrot, less aid a less palatable but equally effective stick.

- Set up the institutions to manage these interactions and relationships¹⁰.

The G20 has demonstrated a strong commitment to a culture of cooperation. How strong has it been in creating positive and negative incentives for changed behaviour?

Something new?

The G20 could operate within the parameters of its past engagement, roughly following the ten point programme outlined at the beginning of the paper. Alternatively, it could open new issues for discussion, and contribute to a re-framing of the development agenda. It could also create a new framework for multilateralism. A new ten-point programme might look something like the following:

1. Poverty reduction and human development are essential moral goals – and also provide the essential underpinning of security in both rich and poor countries. Human security is a global public good.
2. Aid is essential, especially in the relatively small number of low income countries. About a quarter of global poverty is found in these countries.
3. Middle income countries also need some aid, but of a different kind, especially in the form of loans and technical cooperation.
4. Fragile states need special help, some of which may be financial, but some of which will be political, diplomatic, and even, in some cases, military.
5. Development strategies will be country specific, but all countries need to invest in their ‘capability’, particularly in the health and education of their citizens, and in a business environment which reduces transactions costs, supports technical change, and encourages innovation.
6. Successful development also requires a managed engagement with the global economy, including with respect to measures that enable sustained development of the private sector.
7. Both developed and developing countries need to work together to strengthen the international environment for development. A new and improved Goal 8 is a top priority, with unambiguous outcome indicators.
8. The difficulty experienced in reaching global deals on topics like trade and climate illustrate the need for a new commitment to multilateralism.
9. The new multilateralism will need to deploy both social pressure and a new set of positive and negative incentives to change behaviour.

¹⁰ See <http://www.odi.org.uk/resources/download/469.pdf>

10. The G20 is a good forum to provide leadership and coordination in pursuit of development goals and a new, improved multilateralism.

11. Appendix 1

Selective Extracts from G20 Summit Communiqués

A. The London Summit – April 2009ⁱ

We face the greatest challenge to the world economy in modern times; a crisis which has deepened since we last met, which affects the lives of women, men, and children in every country, and which all countries must join together to resolve. A global crisis requires a global solution. (Para 2)

We start from the belief that prosperity is indivisible; that growth, to be sustained, has to be shared; and that our global plan for recovery must have at its heart the needs and jobs of hard-working families, not just in developed countries but in emerging markets and the poorest countries of the world too; and must reflect the interests, not just of today's population, but of future generations too. We believe that the only sure foundation for sustainable globalisation and rising prosperity for all is an open world economy based on market principles, effective regulation, and strong global institutions. (Para 3)

Emerging markets and developing countries, which have been the engine of recent world growth, are also now facing challenges which are adding to the current downturn in the global economy. It is imperative for global confidence and economic recovery that capital continues to flow to them. This will require a substantial strengthening of the international financial institutions, particularly the IMF. We have therefore agreed today to make available an additional \$850 billion of resources through the global financial institutions to support growth in emerging market and developing countries by helping to finance counter-cyclical spending, bank recapitalisation, infrastructure, trade finance, balance of payments support, debt rollover, and social support. (Para 17)

In order for our financial institutions to help manage the crisis and prevent future crises we must strengthen their longer term relevance, effectiveness and legitimacy. So alongside the significant increase in resources agreed today we are determined to reform and modernise the international financial institutions to ensure they can assist members and shareholders effectively in the new challenges they face. We will reform their mandates, scope and governance to reflect changes in the world economy and the new challenges of globalisation, and that emerging and developing economies, including the poorest, must have greater voice and representation. (Para 20)

We remain committed to reaching an ambitious and balanced conclusion to the Doha Development Round, which is urgently needed. (Para 23)

We are determined not only to restore growth but to lay the foundation for a fair and sustainable world economy. We recognise that the current crisis has a disproportionate impact on the vulnerable in the poorest countries and recognise our collective responsibility to mitigate the social impact of the crisis to minimise long-lasting damage to global potential. (Para 25)

We reaffirm our historic commitment to meeting the Millennium Development Goals and to achieving our respective ODA pledges, including commitments on Aid for Trade, debt relief, and the Gleneagles commitments, especially to sub-Saharan Africa (Para 25)

We recognise the human dimension to the crisis. We commit to support those affected by the crisis by creating employment opportunities and through income support measures. We will build a fair and family-friendly labour market for both women and men. (Para 26)

We reaffirm our commitment to address the threat of irreversible climate change, based on the principle of common but differentiated responsibilities, and to reach agreement at the UN Climate Change conference in Copenhagen in December 2009. (Para 28)

B. The Pittsburgh Summit – September 2009ⁱⁱ

The process of recovery and repair remains incomplete. In many countries, unemployment remains unacceptably high. The conditions for a recovery of private demand are not yet fully in place. We cannot rest until the global economy is restored to full health, and hard-working families the world over can find decent jobs. (Para 9)

Our Framework for Strong, Sustainable and Balanced Growth is a compact that commits us to work together to assess how our policies fit together, to evaluate whether they are collectively consistent with more sustainable and balanced growth, and to act as necessary to meet our common objectives. (Para 15)

To take new steps to increase access to food, fuel and finance among the world's poorest while clamping down on illicit outflows. Steps to reduce the development gap can be a potent driver of global growth. . . Over four billion people remain undereducated, ill-equipped with capital and technology, and insufficiently integrated into the global economy. We need to work together to make the policy and institutional changes needed to accelerate the convergence of living standards and productivity in developing and emerging economies to the levels of the advanced economies. (Pars 22-23)

Ensuring a strong recovery will necessitate adjustments across different parts of the global economy, while requiring macroeconomic policies that promote adequate and balanced global demand as well as decisive progress on structural reforms that foster private

domestic demand, narrow the global development gap, and strengthen long-run growth potential. (Framework for Strong, Sustainable and Balanced Growth, Para 4)

Modernizing the international financial institutions and global development architecture is essential to our efforts to promote global financial stability, foster sustainable development, and lift the lives of the poorest.(ibid, Para 17)

Many emerging and developing economies have made great strides in raising living standards as their economies converge toward the productivity levels and living standards of advanced economies. This process was interrupted by the crisis and is still far from complete. The poorest countries have little economic cushion to protect vulnerable populations from calamity, particularly as the financial crisis followed close on the heels of a global spike in food prices. We note with concern the adverse impact of the global crisis on low income countries' (LICs) capacity to protect critical core spending in areas such as health, education, safety nets, and infrastructure. (ibid, Para 34)

We reaffirm our historic commitment to meet the Millennium Development Goals and our respective Official Development Assistance (ODA) pledges, including commitments on Aid for Trade, debt relief, and those made at Gleneagles, especially to sub-Saharan Africa, to 2010 and beyond. (ibid, Para 37)

Even before the crisis, too many still suffered from hunger and poverty and even more people lack access to energy and finance. Recognizing that the crisis has exacerbated this situation, we pledge cooperation to improve access to food, fuel, and finance for the poor. (ibid, Para 38)

As growth returns, every country must act to ensure that employment recovers quickly. We commit to implementing recovery plans that support decent work, help preserve employment, and prioritize job growth. In addition, we will continue to provide income, social protection, and training support for the unemployed and those most at risk of unemployment. We agree that the current challenges do not provide an excuse to disregard or weaken internationally recognized labour standards. (ibid, Para 43)

We remain committed to further trade liberalization. We are determined to seek an ambitious and balanced conclusion to the Doha Development Round in 2010, consistent with its mandate, based on the progress already made, including with regard to modalities. (ibid, para 49)

C. The Toronto Summit – June 2010ⁱⁱⁱ

In Toronto, we held our first Summit of the G-20 in its new capacity as the premier forum for our international economic cooperation. (Para 1)

Our efforts to date have borne good results. Unprecedented and globally coordinated fiscal and monetary stimulus is playing a major role in helping to restore private demand and lending. We are taking strong steps toward increasing the stability and strength of our financial systems. Significantly increased resources for international financial institutions are helping stabilise and address the impact of the crisis on the world's most vulnerable. Ongoing governance and management reforms, which must be completed, will also enhance the effectiveness and relevance of these institutions. We have successfully maintained our strong commitment to resist protectionism. (Para 3)

We are committed to narrowing the development gap and that we must consider the impact of our policy actions on low-income countries. We will continue to support development financing, including through new approaches that encourage development financing from both public and private sources. (Para 13)

We commit to strengthening the legitimacy, credibility and effectiveness of the IFIs to make them even stronger partners for us in the future. (Para 24)

We welcome the launch of the Global Agriculture and Food Security Program in fulfilment of our Pittsburgh commitment on food security, an important step to further implement the Global Partnership for Agriculture and Food Security, and invite further contributions. Looking ahead, we commit to exploring innovative, results-based mechanisms to harness the private sector for agricultural innovation. We call for the full implementation of the L'Aquila Initiative and the application of its principles. (Para 34)

we renew for a further three years, until the end of 2013, our commitment to refrain from raising barriers or imposing new barriers to investment or trade in goods and services, imposing new export restrictions or implementing World Trade Organization (WTO)-inconsistent measures to stimulate exports, and commit to rectify such measures as they arise. (Para 36)

We therefore reiterate our support for bringing the WTO Doha Development Round to a balanced and ambitious conclusion as soon as possible, consistent with its mandate and based on the progress already made. (Para 38)

We reiterate our commitment to a green recovery and to sustainable global growth. Those of us who have associated with the Copenhagen Accord reaffirm our support for it and its implementation and call on others to associate with it. We are committed to engage in negotiations under the UNFCCC on the basis of its objective provisions and principles including common but differentiated responsibilities and respective capabilities and are determined to ensure a successful outcome through an inclusive process at the Cancun Conferences. (Para 41)

We recognize that 2010 marks an important year for development issues. The September 2010 Millennium Development Goals (MDG) High Level Plenary will be a crucial opportunity to reaffirm the global development agenda and global partnership, to agree on actions for all to achieve the MDGs by 2015, and to reaffirm our respective commitments to assist the poorest countries. (Para 44)

In this regard it is important to work with Least Developed Countries (LDCs) to make them active participants in and beneficiaries of the global economic system. (Para 45)

Narrowing the development gap and reducing poverty are integral to our broader objective of achieving strong, sustainable and balanced growth and ensuring a more robust and resilient global economy for all. In this regard, we agree to establish a Working Group on Development and mandate it to elaborate, consistent with the G-20's focus on measures to promote economic growth and resilience, a development agenda and multi-year action plans to be adopted at the Seoul Summit. (Para 47)

ⁱ See <http://www.londonsummit.gov.uk/en/summit-aims/summit-communique/>

ⁱⁱ See <http://www.pittsburghsummit.gov/mediacenter/129639.htm>

ⁱⁱⁱ See <http://canadainternational.gc.ca/g20/summit-sommet/2010/toronto-declaration-toronto.aspx?lang=eng>