

**THE COMMUNIQUÉ OF THE**

**G8 & YOUTH  
G20 SUMMITS**

**WASHINGTON D.C. 2012**



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## **THE GROUP OF EIGHT**

Canada	Japan
The Republic of France	The Russian Federation
The Federal Republic of Germany	The United Kingdom of Great Britain and Northern Ireland
The Republic of Italy	The United States of America

## **THE GROUP OF TWENTY**

The Commonwealth of Australia	Japan
The Federative Republic of Brazil	The Republic of Korea
Canada	The United Mexican States
The People's Republic of China	The Russian Federation
The European Union	The Kingdom of Saudi Arabia
The Republic of France	The Republic of South Africa
The Federal Republic of Germany	The Republic of Turkey
The Republic of India	The United Kingdom of Great Britain and Northern Ireland
The Republic of Indonesia	The United States of America
The Republic of Italy	

## **THE HEADS OF STATE AND GOVERNMENT**

The United Nations (UN) was represented in the negotiations.

## **THE FUTURE OF THE G20**

We recommend that member countries pursue the following actions and goals:

1. Develop a Charter that defines the vision of the group, its principles, the general governance guidelines and its administration; and
2. Ensure that the group is effective and result-oriented.

We propose the creation of a leadership committee, to be called the Secretariat, which will be charged with the following operational mandate:

- A. Collecting input from a broad range of non-G20 members regarding main agenda topics;
- B. Enhancing continuity and transparency between the G20 and the parallel fora (B20, Y20, C20, L20, T20). This should include making the Group's recommendations available online for all to access. Furthermore, any G20 working group should be more transparent. The status, membership and deliberations of working groups should be appropriately published;
- C. Enhancing its legitimacy through enshrining relationships with a broader range of political and civic voices. This should be achieved through a robust two-way dialogue with the parallel fora, including the Youth Summits;
- D. Enhancing the capacity of the G20 to be a liaison between developed and developing nations; and
- E. Producing regular information updates through publication of literature and online materials; and

The composition of the Secretariat should ensure continuity and global coverage while maintaining the informality of the G20 as a negotiating platform. This should be achieved through revolving involvement of the current, previous two, and future two organizing committees.

3. Create a G20 Accountability Working Group that conducts comprehensive evaluations of the G20 commitments through the development of performance indicators. The model of this group will be the G8 Accountability Working Group and will operate within the mandate of the Secretariat. The goal is clear, accessible and relevant information for the public.

## SUSTAINABLE DEVELOPMENT POST-2015

The G20 should play an important role in the discussions and resolutions of the Rio+20 Conference since funding for United Nations development programs is primarily provided by G20 member nations.

Accordingly, we demand that the Rio+20 resolutions on social integration and development be harmonized with the following core proposals. We recognize the UN as the ideal inter-governmental forum to coordinate global development beyond 2015.

We recognize the G20 mandate as setting and fulfilling the post-2015 framework for development alongside all governments and civil society. In this, the importance of direct interaction and partnership with international organizations is recognized.

Nations engaging in post-2015 development should focus on the three pillars of sustainability: economic, social (generational) and environmental, governed by the focal points of justice and democratization.

The G20 should support the idea of creating a program of political education and leadership opportunities for women.

The G20 must pursue sustainable development through youth policies in core areas such as empowerment, education, and employment. The prioritization of engaging youth and youth policies by Government can be a driver of sustainable development.

## OPEN GOVERNMENT INITIATIVES

Engaged and empowered youth are positive for society. Youth often face a democratic deficit due to age limits, financial or social barriers, lack of access to institutions and information and lack of civic education. Open government initiatives should address these matters.

We note the importance of adopting e-government tools to enable transparency and political participation through the use of online petitions, open policy fora and well-promoted government portals for youth. We encourage the deepening of partnerships between educational youth institutions, local private sector and other civic institutions such as libraries, local government, public services and community structures.

The G20 Mutual Assessment Framework should incorporate data to be used in ensuring the effectiveness of youth empowerment and civic participation across member countries and institutions.

The G20 should strongly support the free participation of the youth in the formal or informal local and global two-way dialogue with the governments.

We recommend the G20 formulate member-level youth charters that demonstrates their commitment to youth empowerment. These charters should be tailored to each member country and should give important consideration to:

- National, representative youth-led governance body that engages youth in decision through at least annual meetings on a democratic basis;
- Programs of political education and leadership opportunities focusing on youth from low socio-economic and minority groups; and
- Financial empowerment of youth vis-à-vis youth-led budgets, social entrepreneurship and access to capital.

## GLOBAL SECURITY RISKS

### Security Risks of Climate Change

#### *The Arctic*

The G20 recognizes the Arctic as a globally significant territory, in the context of the security risks of climate change, requiring attention of the international community. Early action by G20 states will ensure that future generations will not confront unnecessary security threats due to climate change, hence requiring action by the youth.

In recognition of the G20 mandate to form ad-hoc coalitions around global concerns that have the potential to affect economic stability, member states commit to act in addressing recognized threats in the Arctic. Members recommend the UN should take proactive measures to promote stability in the Arctic. Activities should aim to protect the region from overuse and excessive exploitation with rights as afforded to other significant territories, such as the Antarctic.

Therefore, we recommend the following action steps:

- Formalization and deepening of partnership between The Arctic Council and the UN, in the context of climate change; and
- Recognizing and promoting progress towards the universal adoption of the UN Convention on the Law of the Sea, particularly among member nations of the G20.

#### *Security Risks of Climate Refugees*

The G20 recognizes that, due to the loss of hospitable land as a consequence of climate change, such as desertification and flooding, conflicts may arise. Such loss will result in mass translocation of population. The G20 urges the UN to recognize climate refugees as a specific subset, and calls for a universal response.

*Resource-Based Conflict*

The G20 supports immediate dialogue where there is a risk of resource conflict, both in bilateral talks and within regional organizations.

## DEFENSE

The North Atlantic Treaty Organization (NATO) was represented in the negotiations.

## STRATEGIC STABILITY

### Nuclear Transparency

The G8 countries are unsatisfied with the current nuclear proliferation situation, as there has been a worrisome increase in arsenals and the number of countries pursuing nuclear weapons. We laud the success of the Treaty on the Nonproliferation of Nuclear Weapons (NPT) to this point. We find the treaty worthy of saving but wish to address the growing ambiguity concerning adherence to NPT and its norms. Notably, we are concerned about the pattern of gaining nuclear technology for civilian use followed by the transformation of that technology to military ends, particularly through uranium enrichment.

In addition, while the G8 is aware of the achievements of the International Atomic Energy Agency (IAEA), notably in the Fukushima incident, the G8 is concerned about its ability to monitor the nuclear programs of nations and the ability to affect an adequate international response.

G8 cooperation on nuclear transparency serves a number of ends. First, we commit to moving towards continual global reduction of nuclear weapons in the spirit of NPT. Second, we seek to rebuild trust in the NPT as the operative and normative international framework for nuclear power acquisition and usage. Third, we call for increased transparency amongst nations with domestic nuclear programs, as well as the internal workings of the IAEA. Fourth, we seek to develop a more united, regularized, and targeted enforcement of the norms and provisions of the NPT. Fifth, we seek to pursue a common approach to the enforcement of the norms and provisions of NPT, notably on diplomatic incentives.

To accomplish these ends, the G8:

**Resolves** to include NPT in any bilateral or multilateral discussions of nuclear technology sharing;

**Calls** for the development of greater technical and organizational separation of civil and military nuclear power, so that future nuclear technology transfers will have safeguards against military nuclear development;

**Aims to** establish a voluntary international graduated framework to settle disputes regarding countries that contravene the Non-Proliferation Treaty in the event of a deadlock in initial diplomatic processes with the intention of encouraging the parties back to the negotiating table. Countries abiding by this framework ought to acknowledge the authority of the International Atomic Energy Agency to determine how far a state had contravened the NPT; and

**Seeks** more political independence and transparency of the IAEA.

### **Intermediate Range Ballistic Missiles**

The G8 acknowledges the success of the Intermediate-Range Nuclear Forces Treaty (INF) in resolving tensions in the past and its applicability to similar tensions in the future. The G8 countries are concerned about new actors' behavior through the buildup of intermediate range missile arsenals in Asia, both undermining the existing agreement and destabilizing the region. Furthermore, the repeated missile tests conducted by Democratic People's Republic of Korea (DPRK) are unacceptable to the G8 countries.

The G8 aims to prevent an arms race driven by the proliferation and build up of intermediate range ballistic missiles through East and South Asia. While celebrating the INF in terms of the European situation, the G8 strives to protect the framework of the INF treaty and the sanctity of the treaty, realizing that, if the developments in Asia are left unaddressed, we are seriously risking stability, peace, and security in the world. Within this discussion, the G8 recognizes the world's particular concerns regarding the DPRK's provocative actions including the proliferation of weapons of mass destruction, repeated tests of ballistic missiles, human rights violations, and the abduction of foreign citizens. The G8 nations stress the importance of restarting the negotiation process, specifically the Six Party Talks.

The G8:

**Advocates** for five party talks between China, Russia, USA, India, and Pakistan on ballistic missile transparency and an up-to-date modernization as well as ratification of the INF as soon as possible;

**Strives** to establish a graduated "food for peace" program regarding North Korean cooperation on arms reductions. In exchange for greater cooperation on issues such as denuclearization of

the Korean peninsula, return of abductees, and family meetings G8 nations would respond by diversifying food aid and exchanging technical agricultural expertise;

**Hopes** to work in concert with China on engaging with the new North Korean leadership and starting a fresh chapter in its relations with the world through the rubric of Six Party Talks.

### **European Defense Shields**

The Cold War and accompanying North Atlantic Treaty Organization (NATO)-Russian arms race are over. There are now rising shared threats that require cooperation from both Russia and NATO. We recognize that there is a solid past of NATO-Russia cooperation and that there is significant room for similar opportunities in the future.

As it stands, the European Shield is part of a non-negotiable duty of NATO to defend its European continental allies from threats, and this, in turn, raises legitimate security concerns on the part of Russia. As neighbors, the security and stability of Europe depends on both Russia and NATO.

The G8 countries recognize the necessity for European states to defend themselves against ballistic missiles. We seek to maintain both the defense and stability of the European continent, while building an environment of trust, transparency, predictability, dialogue.

We strongly believe in moving past Cold War thinking as a generational leap in the spirit of cooperation. We seek to more firmly establish and develop practical and operational cooperation between Russia and NATO forces. We aim to avoid provocations and engage with caution, restraint, and goodwill in the event of incidents.

The G8:

**Calls** for both a NATO official statement legally guaranteeing that the European shield is intended as a defensive mechanism that is not directed at Russian nuclear potential and a Russian official statement that it views NATO as a partner, and seeks further cooperation;

**Calls** for a restart NATO - Russia Council dialogue on all levels, pursuing a deeper strategic partnership; and

**Supports** a temporary agreement as a starting point for concrete dialogue to work out further technicalities regarding radar targeting data for the European continent as well as improving

practical cooperation between NATO and Russian militaries through exercises, exchanges, and training programs;

**Recognizes** Russian concerns with Phase 3 and Phase 4 of the European Shield deployment and call for the beginning of dialogue about constraints on the deployment Phase 3 and Phase 4 and on the deployment of additional Russian nuclear forces on the NATO/Russia border, conditioned on continued NATO-Russian cooperation and the development of new threats external to the NATO-Russian partnership.

### **Strategic Forces Stability**

The G8:

**Calls** for information exchange and transparency for both parties' patrols along all NATO-Russia and Japan-Russia borders, similar to existing protocols of NATO-Russia information sharing on nuclear forces;

**Commits** to the necessity of avoiding all types of provocations and always resorting to peaceful resolution of incidents;

**Calls** for no NATO forces with strategic weapons to patrol Barents Sea and Baltic region, while reaffirming their commitment to Article V of the Washington Treaty; and

**Recognizes** the end goal is to reach zero NATO-Russian patrolling levels along all NATO-Russia borders.

## SECURITY OF INTERNATIONAL WATERWAYS

### Illegal Activity in the International Waterways

Currently, the G8 countries are incurring ever increasing costs due to illegal activity in international waterways, specifically piracy in the Gulf of Aden. We realize that international seaways constitute a shared commons, but recognize that regional states do not currently have the ability to defend their own waterways. Analysis demonstrates that ending piracy has three different and complementary aspects:

1. *Forceful self-defense*: to fight against piracy and neutralize threats on international shipping
2. *Law Enforcement*: to prosecute fairly the suspected pirates and ensure that they are treated accordingly with the human rights
3. *Tackling root causes*: to provide alternative economic opportunities in coastal communities where there is piracy.

The G8 countries aim to eliminate the problem of piracy on the world's seaways. We want to deepen international cooperation on all topics linked with illegal activity in international waterways.

We encourage reaching holistic solutions to the underlying roots of piracy and support establishing rule of law in Somalia through the transitional federal government.

The G8:

**Reaffirms** the importance of UNCLOS;

**Calls** for UNCLOS' update for the first time in 30 years;

**Strives** for this new convention to include a new Chamber for Acts of Piracy within the International Tribunal for the Law of the Sea specifically assigned with prosecuting arrested pirates;

**Advocates** the establishment of trial and detention facilities, operated by the International Tribunal for the Law of the Sea, located regionally within a country where human rights and equality of rights of the Defense and Prosecution are guaranteed;

**Strives** for an update of the Montreux Document on the Private Military and Security Companies with an applicability to the sea and making it into a Optional Protocol to UNCLOS;

**Encourages** the buildup of regional capacity whether in prosecution of pirates or forceful maritime naval capacity to secure pirate infested waters;

**Encourages** fair and humane treatment of arrested and captured pirates or any other illegal actors on international waterways;

**Calls** for a multidirectional approach to flags of convenience, notably ownership tracking, licensing regulation, security norms and other international standards;

**Seeks** for greater sharing information regarding financial support and profiteering of illegal activities, namely piracy and trafficking among G8 countries and international community;

**Calls** for increased economic opportunities in the Gulf of Aden by encouraging private sector partners to invest in coastal communities; and

**Supports** a ban on fishing and waste dumping by private or state actors in Somali territorial waters.

### **Maritime Sovereignty**

The G8:

**Is concerned** of rising maritime sovereignty tensions in the South and East China seas; and

**Calls** for multilateral and peaceful solutions for all territorial disputes in the world's seas.

### **Free Access of Navigation**

The G8:

**Resolves** that any threat, attempt or act to close international waterways, as defined by UNCLOS, will be condemned in the strongest terms and will be countered with an appropriate response.

## AFGHANISTAN: THE TRANSFORMATIONAL DECADE

### Drawdown of Forces

The G8:

**Supports** abiding by the International Security Assistance Force (ISAF)-Afghanistan Agreement and combat forces withdrawal by 2014;

**Calls** for negotiations on ISAF withdrawal from Afghanistan through a transit in Russia;

**Emphasizes** Afghanistan's sovereignty;

**Supports** integration with regional organizations, such as the South Asian Association of Regional Cooperation, the Organization of Islamic Countries, and the Shanghai Cooperation Organization, on the issues of counter-terrorism, drug trafficking, and trade; and

**Supports** a stable, unified, and secure sovereign Afghanistan.

### Ongoing Efforts for a Sustainable Political and Developmental Transition

The G8:

**Advocates** political conciliation of moderate domestic actors for a unified and stable Afghanistan;

**Commends** the achievements of insurgent reintegration and **support** further efforts;

**Seeks** greater monitoring and transparency of aid to make the state more accountable to its people;

**Calls** for stronger oversight of domestic and international military contractors and finances;

**Supports** the engagement of all states in the region and the international community in concrete commitments to contribute to Afghanistan's sovereignty, security, stability, and development, specifically through agreements at the Tokyo Conference in July 2012;

**Commits** to continued support for Afghanistan's security, economic, and political institutions in the spirit of the Bonn Agreement;

**Supports** the security of the development of Afghanistan's economic potential as a viable and sustainable development initiative for a secure, unified, and stable Afghanistan; and

**Commits** to international assistance in training the Afghan state administration and law enforcement in areas of rule of law and anti-corruption measures.

### **Drug Trafficking**

The G8:

**Recognizes** that efforts to counter the exports of narcotics from Afghanistan must be complemented by efforts directed at combating the demand of drugs;

**Commends** the Counter-Narcotics Conference between agencies of Tajikistan, Russia, Afghanistan, and Pakistan and other Central Asian cooperation efforts as part of the Triangle initiative within the Central Asian Regional Information Coordination Center between Afghanistan, Iran, and Pakistan on regional drug trafficking eradication;

**Commits** to providing full support and technical expertise to the above organizations on counter-drug measures;

**Will work** with Muslim countries and international organizations, such as the OIC, to cooperate on drug traffic elimination on a cultural-religious level;

**Calls** for an integrated, regional fight against drug addiction, with programs educating the general population and assisting addicts; and

**Endeavors** to establish anti-opium vocational education campaigns focusing on the suffering caused by opium production and the benefits of transitioning to another economic activity, coupled with measures to develop different livelihoods for Afghan farmers.

## **FOREIGN AFFAIRS**

## **MINORITY RIGHTS**

### **Women**

We believe that all nations should endeavor to ensure equal access in educational facilities and institutions that are state-financed or state-managed schools. When it comes to access to education among state-managed schools, we embrace the principle of gender non-discrimination.

We believe that women are often under-represented in elective office. Furthermore, we emphasize the importance of equal gender access to political activities, institutions and associations. All nations should work to remove or reduce the political, economic and social barriers that obstruct female participation in politics.

Violence against women has international security implications. Nations should work to curb this violence using all available human rights instruments.

### **Children**

We encourage further ratification of the Convention on the Rights of the Child.

Our aim is to protect children from all forms of emotional and physical violence. We underscore the importance of the universal prohibition of child labor. We call on the world's nations to encourage the systematic incorporation of the prevention of recruitment of child soldiers into humanitarian aid programs and awareness-raising programs in the existing refugee camps. We recommend the expansion of regional cooperation on the prevention of child recruitment into the military, sexual exploitation organizations, and businesses. We especially recommend this happen in states with complex crises and we encourage the international community to offer them resource assistance.

In order to ensure the safety, security and prosperity of juvenile populations around the world, national and international strategies must be guided by four critical elements:

1. Prevention of war,
2. Protection of children during conflict or crisis,
3. Management of conditions after a political crisis or conflict, and
4. [Re]integration of children into their stable societies.

Within such circumstances, communication and information technology should be prioritized as critical instruments of conflict prevention as means of early warning and detection.

We call for the establishment of national councils, to be composed of representatives from relevant actors of NGOs government, and civil society, for the purpose of coordinating domestic policies for the protection of juvenile populations. We further encourage the integration of the IGP, to be composed of representatives one from each national council, for the purpose of synchronizing international strategies to protect children globally from the scourges of war, poverty and oppression.

### **LGBT Community**

We affirm that discrimination, based on sexual orientation, is undesirable from a human rights perspective.

Being a member of the LGBT community should not be illegal.

Nations should not prohibit LGBT advocacy, such conduct violates human rights and generally recognized norms of free speech and freedom of expression.

We encourage nations of the world to adopt the measures affirmed in the United Nations Declaration of Sexual Orientation and Gender Identity (UNDSOGI) and further ratification of this declaration.

We encourage parties and signatories to the UNDSOGI to provide and/or facilitate resources to NGO's, businesses and civil society actors to raise awareness about the LGBT community's interests and to ensure the protection of members of the LGBT community.

We recommend, as possible means of support, that nations mobilize social resources to achieve heightened protection of LGBT populations. In addition, willing nations should contribute to the Human Rights, Sexual Orientation and Gender Identity Support Fund, which continues to support measures that promote awareness and protection of LGBT communities around the world.

As an aspiration, we believe that sexual orientation should be included as a reason for non-discrimination in Article Two of the United Nations Declaration of Human Rights.

Irrespective of gender identity and sexual orientation, people have the right to be legal stakeholders in society. The legalization of homosexuality is the means to grant LGBT communities a stake in society. It is not imperative that such legislation be condoned by religious and social institutions, but rather that it ensure a rational and equal attitude towards social relationships, free of persecution and discrimination.

States should work to remove or reduce the legal barriers that obstruct the establishment of a personal, legally recognized permanent union between any two consenting adults, regardless of gender identity or sexual orientation.

## DEMOCRATIC ASPIRATIONS

### Tunisia and Egypt

With full acceptance and acknowledgement of the continued sovereignty of Tunisia and Egypt, the people of these countries deserve free and fair elections. To ensure that this critical election cycle in these countries is successful we call upon the Arab League and the international community to provide resources and assistance in ensuring the fair conduct of the electoral process.

We recognize the power of the Arab Spring movements and applaud the immense courage of the demonstrators, as well as the important role young people and women played in the protests. While we recognize that there is no ideal form of democracy, we support the ongoing democratic processes and people's aspirations in Egypt, Tunisia, Syria and the Palestinian territories.

Equal political participation, freedom, the rule of law, respect for universal human rights, and minority rights are of central importance, including those of religious minorities and women rights. However, we are aware that implementing these measures and building democratic institutions takes time and patience. As for Egypt and Tunisia, in the line of the Deauville partnership, we urge our G8 partners to continue and extend the technical, financial and structural assistance to these countries through:

**Supporting** the development of new Constitutions formalizing each country's future political arrangements, while fully respecting each state's sovereignty, we are willing to share our technical support in terms of law, building democratic institutions and economy;

**Promoting** youth employment through joint actions, boosting initiatives from foreign private sectors in the region on this matter, trade agreements and further extending the opening of the markets;

**Providing** common resources to independent media and increasing access to internet and other means of communication;

**Encouraging** intergovernmental partnerships for mobility and the facilitation of visa procedures, primarily for students and workers;

**Recognizing** and developing the role of the Arab League as a stakeholder in issues related to peace and security in the region; and

**Encouraging** cultural exchanges among youth of Egypt, Tunisia and G8 nations in order to foster mutual understanding and cultural respect.

## **Palestinian Territories**

We call for direct negotiations between the Israelis and Palestinians to result in a two-state solution with a sovereign, democratic state of Palestine alongside the secure Jewish state of Israel.

To enhance the likelihood of direct negotiations and a successful outcome, we urge that the following steps be taken with all deliberate speed:

- Israel's efforts to maximize humanitarian assistance into the Palestinian territories can and must be improved. Improved efforts are crucial for realization of democratic aspirations and the human security of a prosperous Palestinian people. We call for enhanced humanitarian assistance for the Palestinian territories, provided that such assistance does not compromise Israeli national security;
- We call upon donors, including states, NGOs and civil society actors, to expand grassroots initiatives that promote dialogue, exchange and mutual understanding among young people in order to enable a future without violence and conflict;
- We call for consultations between Israeli and Palestinian educators to promote cross-cultural and cross-national understanding and to coordinate the establishment of peace education for Israeli and Palestinian children;
- We condemn the Israeli settlements in the region and all acts of terrorism on Israeli soil. We believe they hinder the peace building process and the creation of two viable and secure states;
- We support the ongoing progress of democratic institution-building in the Palestinian territories. We urge all involved actors to create conditions for free and fair elections.

## **Syria**

We condemn the ongoing violence perpetrated by both the Syrian government and the opposition movement in Syria.

We urge the Syrian government to implement immediately the Annan Plan in its entirety.

If either party violates the Annan Plan, we urge the United Nations Security Council (UNSC) to impose further sanctions on that party, excluding military intervention. If there is a lack of unanimity in the UNSC, we believe that the issues of international peace and security, with regards to Syria, should be referred to the United Nations General Assembly.

The cessation and prevention of innocent killings is a fundamental imperative for the global community. The ignorance shown by both the Syrian government and by opposition forces to the diplomatic efforts to stop violence is abhorrent.

We urge an impetus behind the Annan Plan as the means to realize peace. Regional pressure, applied through diplomatic channels, will send a clear and direct message to Syria as a whole to reach this solution.

We urge UN-sanctioned efforts to install active peacekeeping forces within Lebanon, specifically on the border zone to Syria.

We risk the Syrian question becoming a devastating regional conflict. By raising the profile of international condemnation through the implementation of Les Casques Bleus in Lebanon, stringent pressure to all violent actors will be applied to galvanize pertinent realization of the Annan Plan.

### **New Regimes**

Human rights cannot be conditional upon statehood. Human rights must be upheld in both unrecognized and partially recognized states where the government may not fulfill its primary responsibilities, as far as those people in the said states are concerned.

## **JUSTICE**

### **NATIONAL/INTERNATIONAL REGULATION OF COMMUNICATION**

The G8 affirms that principles of freedom of opinion and expression extend on to not merely traditional press, but also the internet and cyberspace. However, bearing in mind the effects certain speech has had on various national histories, the G8 emphasizes the following potential points where such speech could be legitimately regulated as under the International Covenant on Civil and Political Rights:

- For respect of the rights or reputations of others; or
- For the protection of national security or of public order or of public health or morals.

The G8 strongly endorses that states enact policies that are effective, transparent, evidence-based, and as least-restrictive as possible with respect to the regulation of communications. Further, bearing in mind the need for involvement of civil society concerning this important issue, governments should ensure that there is a sufficient degree of accountability to their citizens throughout the development and enactment of these policies.

Recognizing that the lack of information sharing is a fundamental obstacle to the swift detection, investigation and prosecution of cyber criminals, while also respecting the fundamental right to protection of personal data, the G8 urges:

- The augmentation of current bilateral information sharing with regards to cyber-crime,
- The establishment of one central responsible authority for cyber-security at the national level within each state,
- Swift operationalization of the INTERPOL Digital Crime Centre which will centralize information emanating from national cyber-security centers, the European Cybercrime Centre at Europol and internet private-sector companies, thereby engaging in a collective and coordinated approach to combat cybercrime.

The G8 calls upon states to observe principles of due process and judicial review before initiating investigations into criminal activity using cyber surveillance or traditional interception of communication. Initially a warrant must be obtained with the following provisions taken into account:

- Specificity of duration, namely the length in which the warrant will be in effect,
- Proportionality, namely evidence leading to a reasonable suspicion that severe malice is being or due to be committed,
- Length of storage of data obtained under the terms of the warrant,
- Proper adherence to domestic guidelines on statute of limitations of evidence gathered,

- Emergency situations, where states would be allowed to take protective measures when an emergency situation demands that extraordinary action is taken which falls outside of the parameters listed, provided such mechanisms exist under domestic law.

We further request partners to consider the adoption of export control legislation in order to monitor, and if necessary prohibit, the sale of surveillance and/or censorship technology for the purpose of suppressing political dissent.

### CROSS-BORDER CRIME AND MIGRANT RIGHTS

The countries of the G8 strongly encourage the universal ratification and effective implementation of the UN Convention Against Trans-National Organized Crime and its three additional Protocols - the Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women and Children; the Protocol Against the Smuggling of Migrants by Land, Sea, Air; and the Protocol Against the Illicit Manufacturing of and Trafficking in Firearms, their Parts and Components and Ammunitions.

The G8:

**Recognizes** that the difference between trafficking and smuggling of human beings is ambiguous, as someone who has been smuggled can unwillingly become a victim of human trafficking;

**Seeks** to reaffirm that alleged consent from the victims to be trafficked and participate in criminal activities is not a valid defense for the perpetrators of trafficking during criminal prosecutions; and

**Calls** upon our relevant authorities, during investigation and prosecution of instances concerning human smuggling or trafficking, to take into account duress upon the victim by the facilitator and/or perpetrator.

Based on strong mutual trust between G8 nations, we decide to build upon existing bilateral and regional agreements of information sharing amongst ourselves on transnational organized crime, including terrorist activity. Such shared information between our states may take the form of biometric data, including fingerprints, DNA, and profile information and shall only be shared in relation to those known by the requesting authorities to be involved with the above mentioned activities.

The G8:

**Strongly resolves** to pass enhanced anti-corruption reform legislation within our jurisdictions, to better promote effective and efficient policing and reporting of transnational criminal activity;

**Calls** upon governments to enhance cooperation with relevant NGOS to provide greater support and legal advice for victims of human trafficking. Further, governments should enhance their partnerships with Interpol to provide stronger training to their police and border authorities in the handling of human trafficking and human smuggling cases;

**Solemnly affirms** that states should treat migrants with internationally recognized fundamental human rights regardless of their status or level of documentation. These rights must be respected under any circumstance, notwithstanding the fact they are distinct from such rights reserved for nationals of states; and

**Urges** member states to improve the conditions of detention centers in which they keep migrants before decision on status and shortening the length of time in which those decisions will be made. States should make an unequivocal effort to ensure the rights of children, as laid out in the principles of the UN Convention on the Rights of the Child, are not abrogated and that the integrity of families is guaranteed with regards to deportation and detention decisions.

Reaffirming the general principle of non-refoulement, the G8 calls on states to recognize the need to protect victims of armed conflict and recommend to offer them legal temporary protection in our national jurisdictions as long as they cannot be returned to their home country.

The G8:

**Expresses** support for concerted refugee resettlement plans among G8 nations and their partners in cooperation with the United Nations High Commission for Refugees;

**Requests** swift and effective sanctions to be imposed on criminal organized groups involved in people smuggling, especially at sea, which is one of the most dangerous means of transport of victims; and

**Calls** upon the international community to initiate the drafting of a new convention on the responsibility of states in responding to situations where migrants or refugees lives are at risk when in transit, particularly during search and rescue operations.

## DEVELOPMENT

The World Bank was represented in the negotiations.

### FOOD SECURITY AS IT RELATES TO HUMAN SECURITY

“Human security... means... safety from such chronic threats as hunger, disease, and repression and freedom from poverty. Food security – the availability of food and the empowerment of people to access it – is therefore at the core of human security.”

– *United Nations Development Program*

#### Small-Scale Agriculture

We propose the establishment of a centralized database under the mandate of the United Nations Food and Agriculture Organization (FAO) with the purpose of improving coordination efficiency between agricultural aid organizations and programs and farmers on every scale, as well as strengthening the role of the FAO in global food security programs, by establishing normative practices on:

- Evaluating previous and current projects,
- Creating community environmental profiles,
- Exchanging best practices to create platforms of information sharing, and
- Incorporating real time information by the Agricultural Market Information System (AMIS).

The development ministries will take steps as necessary to disseminate this information where Internet access is absent or limited.

We emphasize equal access to land and its resources for women, especially given their roles as providers in their families by:

- Encouraging the equal recompense of work and effort for cultivating the land,
- Creating small-scale agricultural support organizations for the empowerment of women to provide skills training and agricultural education for the management of land and agritechnology,
- Supporting the creation of agricultural cooperatives as defined as autonomous associations of persons who voluntarily cooperate for mutual social and economic purposes,
- Reforming of land-tenure practices as defined as practices related to habitation and usage where and how may be appropriate within sovereign ministries, and
- The provision of female-targeted agriculture and small-scale technological and financial product subsidy programs, such as fertilizer and index insurance subsidies.

We recognize the need to improve nutrition around the world, both in crop diversification and resolving crop production shortfalls by:

- Promoting small-scale agricultural production with a focus on sustainable and higher productivity rates by:
  - Investing in research focused on which crops give the highest yield for the land on which they are being produced,
  - Encouraging research and investigation into the feasibility of the usage of food mile limits to foster local crop diversification, and
  - Capacity building of national and international agricultural research centers; and
- Increasing state involvement to facilitate access to crop diversification, in cooperation with civil society organizations by:
  - Financing programs which can reach local farmers to provide new seeds, and
  - Improving local supply and distribution networks.

### **Food Reserves**

We support capacity building of regional organizations, in collaboration with the United Nations World Food Program (WFP), to install early warning systems to minimize effects of humanitarian disasters and to implement local and regional food reserves to act more efficiently and independently in cases of emergency by:

- Incorporating data from the FAO Global Information and Early Warning System in cooperation with regional agencies;
- Usage of strategic grain reserves, alternatively to cash reserves, including:
  - Cereals that are widely consumed, preparing them to be readily available and preferably locally produced by small-scale agricultural producers,
  - Protein-rich crops such as beans and quinoa for the purpose of providing nutrient-complete reserves during emergencies, and
  - Emergency food products produced specifically for famine situations;
- Strengthening already existent food reserve capabilities by incorporating Best Practices from already existent and functional food reserves, including by commitment to maintaining stocks of reserves when depleted of reasonable quality standards;
- Ensuring good governance practices for the correct distribution of food reserves, including by emphasizing production and transportation efficiency as well as the quality of the reserves; and
- Making provisions for the physical security of the reserves, given that conflict is often a catalyst of food scarcity.

## **Poverty Eradication**

We believe that youth empowerment is critical to poverty reduction in developing countries and that this be strengthened by:

- Establishing a long-term vision with the aim of improving career-oriented education, vocational training, and marketable job skills training for students and young professionals;
- Infusion of agribusiness and youth entrepreneurship programs supported by public-private partnerships;
- Emphasizing the need for attentive funding for civil society and non-governmental organizations for livelihood programs, targeting especially the most marginalized young people, and supporting information channels that seek to disseminate information on the aforementioned opportunities; and
- Legally protecting and assuring rights and equal opportunities, in recognition of youth contributions and potential for future participation in the economy.

## **SCRUTINIZING AID**

The purpose of scrutinizing aid is to engage in a detailed examination of how international aid budgets are spent, what they are spent on, and why. The guiding concern of this process is that, whilst sustainable development must always be the ultimate goal, the amount spent on international aid merits scrutiny, as the utility of aid can only be realized if it is transparent and effective. The working definition of aid accepted is all-encompassing, including not only material and monetary aid, but spanning to cover all assistance, technical and educational.

## **Aid Transparency**

We encourage greater transparency in aid processes and propose that this be achieved through publicly available information that meets the following standards:

- The requirement of intergovernmental organizations, NGOs, aid information experts, and private companies to publicize their foreign aid project details according to International Aid Transparency Initiative standards, including:
  - aggregate financial flows,
  - results information,
  - budgets,
  - timelines,
  - project descriptions and documentation,
  - activity and sector codes, and
  - geographic data;
- The listing of individual aid activities by reporting organization;

- The pursuance of the objective to report both total future organization foreign aid budgets and forward planning budget data as soon as prudently possible; and
- The prioritization of accurate representation of the purpose and amount of aid given through established reporting coding standards, which we suggest standardizing across databases.

### **Impact Evaluation and Aid Effectiveness**

We suggest the G20 commit to an increased focus on rigorous impact evaluation initiatives to ensure effective implementation of development programs and increased knowledge of development dynamics. This will be done through focus on results-checking for impact in addition to previously mentioned transparency initiatives, including:

- Creating clear indicators and research methods that support greater regional integration in ensuring quality and cooperation with NGOs, civil society, local communities, and the private sector, with a new focus on positive or negative externalities, unintended consequences, and sustainability,
- Emphasizing a participatory approach for recipient countries in impact evaluation, and
- Support for university and civil society research initiatives in development impact evaluation.

### **Changing Economic Alignments and Alternatives to Aid**

The G20 countries recognize economic realignment; however, we do not see this as a reason to abandon current functional standards. New donor countries should be expected to abide by international norms for best practices, as well as international treaties to which they are signatories.

The rise of new donors—both governmental and non-governmental—and their important role in aid provision demonstrates the new constellation of actors in development as well as the need for dialogue on common development policies and strategies. In keeping with sustainable development, the G20 also emphasizes an increased role for South-South cooperation and participation in development aid, as an alternative to the traditional practice of developed-to-developing aid.

Capacity building should be of capital importance in most long-term development projects so as to ensure the healthy growth of recipient economies. Aid should take a people-oriented approach with the eradication of poverty as its ultimate objective.

We encourage the promotion of trilateral development projects to combine resources and technical capacities to create synergies in development practices with all relevant partners, who are defined as traditional donors, emerging donors, and the countries in which aid is being implemented.

## ECONOMICS

The World Trade Organization (WTO) was represented in the negotiations.

We agree on the unparalleled importance of combating the current international scenario of global unemployment, with special focus on the unemployment of the youth and the improvement of the educational environment with special regard to skill building.

Furthermore, we agree that business transparency is important for the maintenance of the competitive business environment, the creation and maintenance of jobs and general economic betterment.

## GLOBAL UNEMPLOYMENT REDUCTION

### Youth Unemployment

An unemployed youth population significantly increases the danger of major structural unemployment for many years to come. Youth unemployment has dangerous future consequences as young people who find themselves without work for a significant period at the beginning of their working lives are more likely to be unemployable or underemployed and working for lower wages in the future. This is a massive inefficiency to both them and to global society in terms of costs to government and lost potential wages. As well as the economic concerns a large dispossessed population such as this is also a trigger for rising crime and social disorder.

We call upon members to commit to a decent work agenda for youth, similar to that which has been successfully implemented in Brazil. This would rest on four pillars:

1. More and better education, including measures to tackle truancy;
2. Coordinating time balance between studies, work, and family;
3. Active and dignified insertion of youth in the workplace ensuring them a good wage and jobs as part of a career path, as well as liberty, equality, and security; and
4. Social dialogue to facilitate a successful matching of labor demand and supply, to ensure successful programming and to foster youth hiring.

## **Education**

### *Vocational Training*

We agree on the high social value of vocational skills and skill-based training. We recognize the need to promote the elevated image of skills-based work and to encourage the public of our nations to recognize the great benefits such workers provide to their societies and economies. We seek to promote all levels of vocational training and to encourage the ambition of those who pursue them. Countries shall encourage young adults and recent graduates to pursue entrepreneurship, internships, and vocational training to provide workers with skills of greater value in the labor market.

### *Youth Intercultural Exchange*

Recognizing that economic active individuals who have gained exposure to new economic and cultural environments, contrasting to their own, are of considerable value to the G20 workforce, we encourage intercultural exchange programs for G20 members and beyond, especially among young people, independent of academic status, to provide deeper understanding of contrasting economic, governmental, and cultural systems and identify opportunities to foster mutual economic growth. We suggest a program such as that successfully implemented in Germany.

### *Streamlining Education*

We understand the importance of education in international labor mobility. We propose the G20 work towards international requirements that govern basic standards of primary and secondary education in mathematics and science.

### *Entrepreneurial Training*

We agree that entrepreneurship is critical to the future betterment of the G20 economies. We encourage the public and private sectors to work in concert to develop this component of the economy, which has great potential to reduce unemployment. To this end, we urge investment aimed at providing and improving entrepreneurial education for young persons and beyond. Furthermore, recognizing the value of self-employment to job creation, we encourage the pairing of vocational/skills training with entrepreneurial and business training.

### *Small and Medium Enterprises (SMEs)*

We encourage nationally-determined measures to increase access to credit for SMEs and entrepreneurs, including but not limited to credit-rating programs for SMEs and SME investor protection programs.

We recommend G-20 governments work to reduce the administrative challenges for starting and doing business for SMEs, including simplified tax administration, and to actively create a positive image of entrepreneurship to trigger positive changes in social progress.

#### *Gender and Equality*

Recognizing that gender inequality still persists despite past and ongoing attempts, the committee calls for equal economic opportunity for women and men, with special consideration to the distinct challenges and skills of both, and to consider a new perspective in which we consider the status and situation of women as the baseline, and from there seek to raise up both genders on equal platforms.

We call for the same economic treatment for both women and men with a special eye to equalization, including pay, both vertical and horizontal career mobility, employment opportunity, treatment in the workplace, and education. It is needless to elaborate on the importance of gender equality, as it is obvious pertaining domestic and non-domestic economic bargaining power, independence, and the striving for freedom of opportunity.

We encourage governments to provide underserved female entrepreneurs around the world with business and management education.

We recognize the large body of research indicating that women's economic empowerment and equality leads to greater economic development in every nation. Increasing women's spending power statistically leads to greater spending on education and necessary and stable economic development, increasing skills, decreasing unemployment, and nurturing their national economies.

### **BUSINESS TRANSPARENCY**

We encourage the G20 countries to commit on the concerted efforts to discourage a range of counterproductive policies despite different business environments and provide greater certainty and clarity about business and trading conditions.

#### **Government Procurement and Bidding**

We encourage governments to provide a more transparent contract procurement process, allowing special considerations for issues of national security. All G20 economies will gain from providing open access to information regarding which companies receive access to their domestically determined tendering practice. Small and medium enterprises, specifically, will benefit from increased knowledge of where there are opportunities to enter into government-provided contractual agreements.

## ENVIRONMENT

The G20:

**Continues** to express our unity with and support of the Japanese people regarding the continuing effects of the 3 March 2011 disaster in Fukushima;

**Affirms** our commitment to the G20 Youth Charter for the Environment signed at last year's Paris Summit;

**Anticipates** with hope the outcomes of the Rio+20 Summit will renew global commitment for sustainable development;

**Confirms** that the decisions contained in this communiqué are consistent and in harmony with the Convention on Biological Diversity and all other international legal obligations;

**Stresses** that complete decarbonization of our energy supply in the long term is needed at the global level;

**Believes** that this communiqué will be representative of closer collaboration between the G20 in the future; and

**Hereby makes** the following decisions which apply to the G20 and encourage the international community to follow our lead in working toward a common goal of a more efficient and sustainable environment.

## WATER GOVERNANCE

### A Right to Water

Acknowledging that the United Nations recognized water as a human right in 2010, the G20 advocates amending the Universal Declaration of Human Rights to insert the following article:

"All peoples have the right to sufficient, safe, acceptable, physically accessible and affordable water for personal and domestic uses" as defined in the General Comment No. 15, Committee on Economic, Social, and Cultural Rights.

The G20 supports the World Water Assessment Program estimation that in order to meet basic needs, individuals require a minimum of 20 to 50 liters of safe water each day, according to the World Water Assessment Program.

#### *Stakeholders: Public-Private Partnerships*

The G20 countries recognize that a multi-sector approach is one of the most efficient and cost-effective options to reliably provide safe water, acknowledging stakeholders such as civil society organizations and schemes such as public-private partnerships (PPPs).

#### *Progressive pricing system*

In order to reduce water waste, the G20 countries support the use of the progressive pricing system. This system will assign a monetary value to water based on its use.

In order to utilize irrigated water in a more efficient manner, the G20 endorses technology sharing between its member states. The G20 affirms this must occur within the international and domestic intellectual property law framework of G20 member states.

#### **Agricultural Concerns**

##### *Colleges and Universities*

The G20 promotes exchanges between universities and research centers for the purposes sharing irrigation-engineering technology.

#### **Pollution**

Without increased agricultural costs (for developing nations), and without diminishing food yield, the G20 calls for the phasing out of pesticide use in agriculture.

The G20 suggests the phasing out of non-essential pesticides. Non-essential is defined by each G20 member nation.

#### **Hazardous Wastes**

The G20 calls for the disposal of hazardous waste in accordance with local, national and international environmental standards. In particular, recognizing the environmental impact of mixing different types of hazardous waste before disposal, the G20 recommends this practice be discontinued.

## **Education**

The G20 calls for increased education in relation to water, in particular:

- The international private sector to be educated about proper hazardous waste disposal methods
- Primary school students to be educated about proper water management methods and water footprint,
- Farmers to be educated about the danger of excessive artificial fertilizer use.

## **Marine Protection**

The G20 affirms the importance of protecting wetlands, estuaries, coral reefs, and coastal areas of ecological importance. The G20 recommits to banning drift-net fishing and illegal whaling and endorses sustainable aquaculture methods. The G20 recommends the Rio+20 Summit review international regulations for offshore oil-drilling in international waters. The G20 notes the importance of regional actors in this regard.

## **GREEN GROWTH**

### **The Future of Energy Supply**

Building upon its advocacy of smart grids in 2011, the G20 emphasizes the potential of this technology by recommending:

- G20 developed states upgrade their electricity grids, whether regional or national, to smart grids; and
- G20 developing states implement smart grids when building their grid system, whether regional or national.

The G20 also recommends the use of micro-grids, where appropriate.

To find solutions to existing and future energy needs, the G20 will:

- Increase public sector research and development into new forms of energy;
- Increase the proportion of private sector research and development into new forms of energy in relation to private sector profits;
- Promote partnerships between the private sector and research institutions to ensure the prompt introduction and implementation of new technologies; and

- Encourage research institutions to share new research and technology with their international counterparts, while respecting domestic and international intellectual property law.

## **Energy Portfolio**

The G20 defines renewable energy as including resources that rely on fuel sources that restore themselves over short periods of time and do not diminish. Although the impacts are small, some renewable energy technologies have an impact on the environment.

### *Renewable Energy Target*

The G20 aims to transition from carbon-intensive energy sources to renewable energy sources. To this end, the G20 aims to increase the aggregate proportion of renewable energy sources of the G20 to 20% by 2020. In addition, the G20 agrees to pursue greater efficiency for existing carbon intensive energy sources. The G20 agrees to craft national programs for greater energy efficiency within the scope of energy production.

G20 member states supports promotion of biomass solid fuel that is made of refuses or renewable wastes. The G20 encourages reduction of CO2 emission as well as methane gas by reducing environmentally harmful substances by adapting biomass solid fuel as a new renewable energy.

### *World Trade Organization Free Trade Agreement*

The G20 will consult with the World Trade Organization to establish free trade between the G20 in respect of renewable energy manufactured items to ensure all states are able to meet the renewable energy target.

### *Nuclear Energy*

The G20:

**Commits** to more strictly regulating civilian nuclear power, including, but not limited to, stress tests conducted throughout all phases of planning, constructing and running of each civilian nuclear power plant.

**Also recommends** the International Atomic Energy Association improve global safety standards for current and future civilian nuclear power plants.

### *Climate Financing*

The G20:

**Urges** all countries that have made pledges for climate financing to follow through with said pledges;

**Will create** an investment climate more suitable for climate financing options; and

**Reminds** its member states of their commitment to phase out fossil fuel subsidies over the medium term and recommends the funds be redirected to climate financing.

### *Green Products*

The G20:

**Supports** the continuation of indigenous green products initiatives in developing countries to create jobs and to keep small and medium enterprises running;

**Commits** to moving from the production of inefficient appliances to the production of efficient appliances;

**Encourages** member states to develop programs for the purchase of smart appliances and energy-efficient lighting as well as remove and properly dispose of inefficient appliances.

**Calls** for the implementation of a standardized voluntary scheme for green products labeling among the whole supply chain, including producers, importers and retailers;

**Will consult** with the World Trade Organization (WTO) to establish free trade between G20 member states for green product manufactured items. Green product manufactured items are to be defined by the Rio+20 summit in consultation with the WTO;

**Promotes** schemes to reuse packaging, as this reduces the need for recycling, which though preferable to landfill and exportation of waste, still uses energy;

**Also promotes** the use of recyclable packaging, and a common framework for recycling in the G20; and

**Urges** the training of workers in the green jobs market.

### *Urbanization*

The G20:

**Urges** national governments and urban planners to adopt a holistic approach while creating new and improving old cities by using new technology, green infrastructure, city design and community based innovation;

**Backs** the use of green infrastructure across sectors such as energy, transportation, buildings, water, and waste management by developing efficient public transportation, low carbon energy production, energy efficient buildings, and efficient water and waste management infrastructure;

**Believes** that the World Bank's concept of Eco2 ecological and economic cities should be adopted by member states leading to socially equitable and environmentally sustainable cities; and

**Backs** the use of digital technology that enables the creation of intelligent cities that uses information and communication technology, smart grids, and central command rooms that horizontally manage power, water, transportation and public safety.

In order to identify the international best practice and share knowledge among member states, the G20 will analyze ways in which cities are currently upgrading their urban environment to make them more sustainable.

## **FINANCE**

The International Monetary Fund (IMF) was represented in the negotiations.

### **REGULATION AND SUPERVISION IN THE FINANCIAL SYSTEM**

#### **Banking and Capital Flows Regulation (Basel II, Basel III, FSB)**

The G20 recommends that countries move forward with implementation of Basel III as quickly as possible within their own means, while recognizing that the process may be faster for those developed nations prepared for such implementation. If a milestone is not met, a report should be issued to relevant parties as to why the milestone was missed, including a corrective plan to get back on track to achieve deadlines.

#### **Over-the-Counter (OTC) Derivative Markets Regulation (Basel II, Basel III)**

We agree to enact domestic measures which allow regulators to examine the portfolios of hedge funds. They will make the findings of their examinations public and available to international organizations such as the Financial Stability Board (herein FSB) and Bank for International Settlement (herein BIS).

The G20 recognizes that a global low rate financial transaction tax (FTT) bearing on all cash security transactions, synthetic transactions and on the notional of derivatives at final settlement, but exempting government bond cash transactions, margin calls, as well as retail banking clients, pension funds, retirement accounts and health savings accounts, may be opportune in providing additional tax revenues and incentivizing banks to allocate capital to lending rather than proprietary trading, recognizing that certain G20 countries may already be implementing such measures. In cross-border transactions, the proceeds of such a tax would be shared evenly between the national tax authorities of the selling and of the buying party. Insofar, the G20 decides to conduct quantitative impact studies at country level and defers a final decision on such a financial transaction tax until conclusions are reviewed.

We recommend the establishment of a global database through which clearinghouses can share data from OTC derivatives under the FSB. It would be funded through additional commitments from G20 member states. We expect that, while the FSB will play a role in aggregating and monitoring data, G20 members and their respective financial regulatory institutions will require the clearing of these financial products through central clearing parties. Furthermore, we commission a study into the role and potential risk of these clearinghouses in the new process established.

## **Macro-Prudential Policies (GSIFI Measures and FMSI Safeguards)**

The G20:

**Emphasizes** the importance of corporate governance for all corporations, with particular attention to Globally Systematically Important Financial Institutions (GSIFIs) and FMSIs. The G20 further emphasizes strict measures should be taken in case of any breaches of relevant regulation and domestic laws which cause the systematic impact on markets and investors. Items requiring further analysis and strict action on the part of G20 members are:

- Limiting the number of boards on which the directors and executives of GSIFIs may serve,
- Increasing the number of independent directors; exercising stock options within a window to be defined at the end of their service and not during their terms,
- Dissociating the functions of chairman and CEO,
- Disclosing the votes of individual directors at past board sessions,
- non binding stockholder vote on executive and director pay and structure, and
- Making the executives and directors of failed corporations personally liable to stockholders when they approved executive and compensation packages previously rejected by stockholders;

**Recognizes** the need for cooperation with adequate technological and financial resources to ensure that the information and monitoring process are effectively implemented;

**Entrusts** that the FSB will be able to provide further guidance regarding this matter.

## **Credit Rating Agency Regulations**

The G20:

**Supports** increased competition among credit rating agencies;

**Encourages** regional unions of countries to create rating agencies and privatize them subsequently if need be, and commits to interregional and international cooperation, including specialized bodies such as the Financial Stability Board, to share best practices and rating models;

**Requests** that the FSB conduct a study into different methods for monitoring credit rating agencies;

**Supports** heightened disclosure requirements on the models used and on fee structure.

**Believes** that rating agencies should, in any rating report, disclose the amount and breakdown of revenues received from the issuer on one side, and from investors as a whole on the other side;

**Also recommends** that for any rating, fees collected from issuers must be limited to a maximum threshold of total fees to be determined upon further investigation; and

**Also requests** rating agencies to disclose, in any rating report, the amount of fees received from issuers for other services than ratings.

Given the significant role which credit rating agencies play in the global financial system, we recommend that FSB require credit rating agencies publicly disclose the methodology and formula utilized by credit rating agencies in their rating model to issue their ratings.

We further recommend that G20 member states establish rules that credit rating agencies shall not allow management to have been members of financial institutions being reviewed within the one-year period preceding the commencement of rating procedures.

## INTERNATIONAL MONETARY SYSTEM REFORM

### Fiscal Policy Coordination

We agree to continue discussing fiscal policy measures with each other in order to potentially coordinate when appropriate. We agree that reduction of member country fiscal deficits is the medium-and long-term and objective of fiscal and budgetary policy. We agree that price stability is in the long-run interest of all nations, and should take actions to ensure price stability is maintained.

The G20:

**Acknowledges** the role that the IMF plays in providing confidential consultations in regard to fiscal and monetary policies to member countries which the IMF deems in need, and conduct annual follow-up surveys. The IMF should continue to be the forum where monetary policies are debated; and

**Recognizes** that the European Union should take necessary measures to maintain the Eurozone membership intact. All funds distributed for the Eurozone should stay within the Eurozone countries. Country of incorporation and main country of operation may be used as parameters by which the borders of EU companies' activity is defined. In addition, monetary resources issued by the European Central Bank could not be used for overnight deposits with the same institution, but will have to be injected to finance projects of the aforementioned companies. Countries willing to cooperate in solving the current EU problems of deficit and debt should work on reforms addressed at growth, by emphasizing the importance of efficiency in capital allocations and available resources.

## **Role of Emerging and Developing Countries in the International Monetary Fund (Quotas and Voting Rights Reforms)**

G20 members should take all necessary measures to fully implement IMF quota and governance reforms by targeted deadlines (quota reform by October 2012, comprehensive review of impact of quota reform by January 2013, and governance reform and commencement of the next review of quotas by January 2014).

We extend our support to the International Comparison Program (ICP), which will update underlying price surveys from 2005 to 2011, and further broaden the coverage to over 150 countries. We ask the IMF to advance the timetable for the ICP prior to the 15th General Review of Quotas to allow for further analysis.

We note that calculated quota share should be subject to revision, keeping in mind the dynamic and evolving nature of global economy. While the G20 countries realize the important nature of IMF's present formula, it has been under considerable scrutiny, especially concerning the weights of respective components. The G20 countries encourage the IMF to continue to reconsider the voices of emerging economies. This should especially be ensured for the BRICS, keeping in mind their significant contribution at this juncture to stabilize financial system.

## **International Monetary Fund Surveillance**

We are aware of the gaps in the IMF's internal structure which limits it from providing valuable recommendations regarding surveillance. Given that, the G20 Finance Committee has taken positive steps by instituting the External Stability Report, which is designed towards strategic financial sector surveillance. However, we further recommend that the International Monetary and Financial Committee amend its terms of reference in order to coordinate IMF internal reports and issue a final report unambiguously outlining challenges and recommended solutions.

## **Price Stability and Exchange Rate Policies**

When addressing commodities, the G20 underlines the difference existing between the problems linked to fossil energies and agricultural products. At the same time, we recognize the good results obtained by the Joint Oil Data Initiative that created a database on oil resources.

Our proposal is to expand the coverage on other commodities, in order to have a more accurate vision of the existing stocks, which may help us anticipate shocks that might affect those commodities. In addition, these databases could be used to better manage shortages and especially to ease pressure on commodities' prices. High interest rates and recent increasing pressure on inflation in emerging markets lead us to consider higher standards of transparency in the commodities markets. Though it has already been acknowledged by the G20, the body wants to emphasize the importance of obtaining information about hedge funds' portfolios

investment in order to assess the impact of these entities on commodities' prices in terms of short selling.

We recognize the importance of a free-floating currency exchange market. However, for certain countries, we understand the nature of the underlying economies which might slow down the implementation of free floating exchange rates. We also acknowledge the measures that have been taken by the countries with non-floating exchange rates. More measures should be taken to achieve a free exchange market in a certain period of time dependent on the recovery of global economy, as significant deterioration can slow down the currency reform measures.

## **THE STATEMENT OF THE INTERNATIONAL DELEGATION**

The G8 & G20 Youth Summits included an international delegation representing:

- the International Monetary Fund,
- the North Atlantic Treaty Organization,
- the United Nations,
- the World Bank, and
- the World Trade Organization,

each tasked with a core global mandate through working together with member states in addressing global challenges.

This group—at both the group and organizational levels—remains optimistic and resolute in the G8 and G20 commitment to meet global challenges.

We affirm that the international system, global progress and cohesion can benefit from the implementation of the following recommendations:

1. A deepening engagement between the G8 and G20 mandate and core international and intergovernmental institutions. Progression in this respect should include a more comprehensive approach to international security by the G8 Defense Committee through the active and official involvement of NATO in G8 defense discussions in NATO mandate areas.
2. An evolution towards meritocratic reform and the democratization of institutional structures and leadership selection processes at the International Monetary Fund, the United Nations and the World Bank.
3. Increased commitment towards the democratization of access to information of both governmental and international institutions and opening up data as a means of enabling citizen examination of and participation in the processes, which impact them. The provision of universally accessible interfaces, such as mobile technologies, facilitates interaction with information and the ability to provide feedback.
4. A growing focus on economic inequality, (women empowerment, equal opportunities) and social justice as drivers of national and international policy initiatives.
5. An increase in transparency of intergovernmental and inter-organizational relations to improve institutional capacity as well as to increase efficiency and effectiveness.

