ROUND TABLE ON THE G8 SEA ISLAND SUMMIT ORGANISED BY FRENCH PRESIDENCY WITH TRADE UNIONS, EMPLOYERS, NGOs AND LOCAL AUTHORITIES

Paris, 18 May 2004

1. President Chirac outlined the French Government's five priorities for the Sea Island Summit. These were growth, development, Africa, health and the environment.

2. On achieving <u>balanced and sustainable growth</u>, even though the recovery was confirmed there were still concerns over the imbalance in growth and the US growth rate was being achieved at the risk of a high deficit. The impact of the rise in oil prices was also of concern. In the long term the emergence of faster growth in China and India was positive. However, the poorest countries were still marginalised. On the issue of delocalisation and outsourcing France was seeking to have a common approach with Germany on this at the G8.

3. On <u>trade</u> he said that the EU initiative on agriculture would have a large social cost and whether this was acceptable would depend upon the reactions and actions taken by the United States. There had to be parallelism. There was also no common interest of the "South" but rather a difference of interest between developing countries on this issue.

4. On <u>social issues</u> he defended the conclusions of the ILO World Commission on the Social Dimension of Globalisation. On the issue of <u>corporate social responsibility</u> he had proposed a new instrument to the G8 that goes beyond the existing instruments of the OECD Guidelines for Multinational Enterprises and the Global Compact. He expected that the G8 would issue a new statement against slavery and would move to criminal action in national countries against companies that engage in modern forms of slavery.

5. On <u>development</u> which was the second major objective of France, he said that we were approaching the midway point in the time period to achieve the Millennium development goals and it was essential to mobilise more finance for development. The G8 should reduce the cost of remittances by migrants to home countries and take an initiative on "micro finance". It was essential to renew and speed up the HIPC initiative that was expiring at the end of 2004. France supported the UK initiative for a new International Finance Facility. The Commission he had set up to examine financing for development under M Landeau was also exploring new forms of taxation to raise funding for development. He hoped these initiatives could be picked up under the UK G8 Presidency in 2005.

6. A third French priority objective for Sea Island was strengthening the <u>NEPAD</u> process that was now at a crucial stage: he hoped that the French initiative to invite African leaders to the G8 would be renewed under the British Presidency. In addition, there would be texts at Sea Island adopted on food security in Africa and peace keeping.

7. The further French priority at Sea Island would be <u>health</u>. The US had proposed an initiative to coordinate research on finding a vaccine against Aids. He agreed, however, this

must not divert attention from prevention and treatment of Aids. He was particularly worried that the Global Aids Fund did not have secure funding. It was essential to put it on a firm footing. It was also necessary to get the application of the agreement on intellectual property rights and generic medicines.

8. The final priority of France was the issue of the <u>environment</u> and in particular the need to strengthen the reaction to global warming. He hoped that flexibility on the EU side would allow Russia to joint the WTO and in return that Russia would agree to ratify the Kyoto protocol.

9. With regard to the United States' position at Sea Island there were three priorities. First, to launch an initiative on the <u>Greater Middle East</u>, from Mauritania to Afghanistan, and a political statement and action plan were under preparation. French support for this would depend upon three conditions: (i) the need for an energetic re-launch of the peace process in the Israel-Palestine conflict; (ii) the need for the initiative to be in partnership with the countries of the region; (iii) the mobilisation of existing multilateral instruments for cooperation. The second priority for the US was to establish an action plan on <u>non-</u>proliferation of nuclear weapons. The third was <u>air safety</u> where the G8 was likely to adopt an action plan to facilitate the mobility of frequent travellers. The issue here was to ensure that rights to privacy were respected.

10. Beyond Sea Island, France was working with the British Presidency to ensure that Africa, Financing for Development, and Climate Change were included in the UK-hosted G8 Summit in 2005.

11. In discussion 38 representatives of different organisations took the floor. The trade union representatives emphasised the issue of respect for core labour rights and the follow-up to the ILO World Commission initiatives. They also emphasised the need to get better enforcement of the OECD Guidelines for Multinational Enterprises, and expressed broad support for the French position on Financing for Development and new initiatives that might be taken. They also regretted the fact that the US Administration would not be meeting with a trade union delegation breaking with tradition.

12. In response President Chirac regretted the fact that the trade unions would not be met by the G8 Presidency. It was particularly important that they were vigilant on social issues and rights. He was concerned that at this G8 there had been an effacing of these issues from the agenda.

13. Other issues in discussion focused on financing for development, the continuing action on access to water, international cooperation being undertaken by local authorities, agriculture, the action against Aids, climate change and the danger to human rights of some parts of the war against terrorism.

14. A number of the NGOs indicated that their American counterparts had also not been able to have serious contacts or exchanges with the US Administration.

15. The meeting closed after almost four hours.

