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Confidential

Note to the Secretary-General

**CONSULTATIONS WITH JAPAN ON G8 PREPARATIONS** ✓

1. In preparation for your participation in this year's G8 Summit in Hokkaido, the team supporting the High-Level Task Force has been undertaking consultations with G8 countries over the last week, including a mission to Tokyo (15-16 June) to meet with Japan's G8 team. On Monday, Mr. Strohmeyer, the head of the Food Policy Support team, met with Japan's G8 Sherpa, Deputy Foreign Minister Kohno, with the Senior Vice President of JICA, Ambassador Oshima, and three key Foreign Ministry Directors-General.
2. It is clear from the level and tone of the meetings that, despite the short time remaining, Japan is eager to find an appropriate role for the G8 on the food issue, including some clear policy messages and concrete action proposals. It is relevant that Japan is the largest single donor to rural/agricultural development. Japan also clarified your and the UN's role at and before the summit. While global food security will not be a stand alone agenda item, it is clear that Japan expects the food and fuel price crisis to be the 'elephant in the room' throughout the summit, including during the G8 HOSG segment on Tuesday, 8 July. I attach the latest version of the summit schedule.
3. Mr. Strohmeyer stressed that the food crisis was a global challenge that needed to be confronted in a global fashion, through a "global partnership for food", and that the G8 summit was a key opportunity to send clear messages on some of the larger policy issues identified in the CFA. A clear political commitment was needed from the G8 to remain focused on the issue over the next 3-5 years, to initiate the policy changes identified in the CFA, and to mobilize some of the additional resources required to boost agricultural investment. This would be a key outcome of the summit, with a possible calming side-effect on markets. In this respect, he indicated the probable continuation of the HLTF process for at least another year and the need to regularly report on progress made in implementing the CFA. Since both Italy and Canada, the next two G8 Presidencies, have already indicated their interest in maintaining a focus on food security, there should be continuity, and an opportunity to track progress.
4. In terms of desired outcomes of the G8 summit, Mr. Strohmeyer emphasized the following possible commitments:
  - Sustained G8 political commitment to increased investment in agricultural production over the next 3-5 years (need for concrete targets/benchmarks to measure progress in agricultural productivity through such investments);
  - Improvement of food commodity markets, including by removing export restrictions and levies on food commodities, in particular those procured for humanitarian purposes;
  - Downward pressure on agricultural subsidies in developed countries, including through the Doha Development round (e.g. cutting agricultural subsidies in developed countries by 10% would free up significant new resources for agricultural investment in low income, food insecure countries);
  - Increased proportion of ODA for agricultural production and rural development, possibly from currently 3% to 10% (additional ODA, without diversion from existing education or health budgets; link to 2005 G8 Gleneagles promises of ODA increase for Africa);
  - Endorsement of the HLTF process and the CFA as centerpieces of a 'global partnership for food' in support of national governments, involving the UN and Bretton Woods institutions, donor countries, civil society and the private sector, at the international, regional, and national level. This would include the monitoring and regular review of progress in implementing the

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CFA at annual high-level meetings on food security (we are in touch with Spain on PM Zapatero's offer of a first follow-up conference, possibly in November).

Japan indicated that it would like to add consensus on bio-fuels ("no food for bio-fuels"; more research in second generation bio-fuels) to the outcome document.

5. Japan accepted that inaction today would compound past failures and exacerbate problems in 20 years from now, including for G8 countries themselves. Such consequences may include serious challenges to stable global economic growth (stagflation), accelerated migration to more affluent countries, increased incidents of unrest and instability in developing countries, leading not only to crisis intervention cost but also to loss of trade and economic opportunities (investment, natural resources, regional markets).

6. As for the UN's role in the summit, Japan indicated that your participation would be in the outreach working lunch/working session on Monday, 7 July and the outreach working session/major economies meeting on Wednesday, 9 July. While the official theme on Monday was MDG/Africa, the Japanese Prime Minister would introduce different topics, including food security, in the course of the meeting. In keeping with previous G8 events, you would have only a brief opportunity to intervene on some of these topics from the floor. Japan suggested that there would be a better opportunity for you to intervene and for discussion of the food crisis on Wednesday during the major economies meeting. It was their understanding that many of them, including Australia and Indonesia, wanted to raise food as a key concern. In their view, the Wednesday working lunch on climate change would primarily look at adaptation issues, rather than at consequences such as food insecurity.

7. Japan is keen for the UN to contribute actively to the success of the summit through inputs to the general outcome document (they may respond positively to our earlier suggestion of a separate outcome document specifically on the food (and fuel) crisis) and by sending clear advocacy messages on needs and actions before the summit. In this respect, they repeatedly asked for the final CFA to be circulated to the G8 and outreach partners as soon as possible, as some delegations were holding back their inputs into the final outcome document until they had seen the CFA. Orally, Japan shared with us some of the food security related inputs reflected in the communiqué so far; these inputs closely take into account the key messages of the CFA and the Rome Conference Declaration, including emergency assistance to be supported fully and without delay; food productivity to be increased; export restrictions on food to be lifted; and a sustainable balance to be found between the needs for food security and energy security. Deputy Foreign Minister Kohno added that specific recommendations for measures to increase production would be welcome, and that some G8 members were working on possible language about the impacts of speculation on food prices. Japanese counterparts were somewhat less optimistic about the chances of persuading G8 members to make concessions on subsidies or additional commitments to ODA, sympathetic as they were to the logic behind those proposals.

8. Japan welcomed the CFA's comprehensive, coordinated, and coherent approach but was interested in its concrete application, and its impact on improving coordination among agencies as well as with donors and other partners, at both the headquarters and the field level. How would the partnership/CFA implementation be organized at country level, which agency would be in the lead on what issue, who would be the coordinator, and how would coordination of fundraising and disbursement be organized? How would we ensure that the CFA would take full account of and integrate existing processes such as TICAD, NEPAD, or CAADP? With regard to funding, Japan was particularly interested in the relationship between the World Bank's USD 1.2 billion facility (strongly promoted by the head of the World Bank during the G8 finance ministers meeting, along with his ten point action plan) and the French proposal to utilize IFAD ("if we were to contribute USD 50 million to agriculture where would we put it?"). Japan also challenged us to produce specific data to support

the need for increasing agricultural investment to 10% of ODA and to develop attainable benchmarks for lifting agricultural productivity with such additional funds.

9. Senior Vice President Oshima explained to us the Coalition for African Rice Development (CARD) that Japan had put together with AGRA (former SG Annan's initiative for a green revolution in Africa). CARD's goal was to double Africa's rice production to 28 million tons through the introduction of better inputs and growing techniques, in particular in the rice-growing regions of West Africa.

10. In the light of these discussions, I propose the following next steps to maximize the chances for progress on the food issue at the G8 summit:

- Refinement of key messages and desired outcomes for the G8 summit through the upcoming SSG and HLTF meetings (Japan encouraged UN and you specifically to deliver clear messages before the summit, as they may be constrained as host);
- Inclusion of key messages and desired outcomes in your speech at Kyoto University and other key advocacy opportunities (e.g. op-ed; press statements) before the G8 summit to set the tone of the meeting (work with senior communications group);
- Public letter from you to the G8 on the food security issue (I will submit a draft to you shortly);
- Work to shape the approach of other G8 and key outreach partners, i.e. Brazil, China, India, Mexico, South Africa as well as Indonesia, Australia ahead of the summit (we will be stepping up efforts at our level);
- Submission to Japan, as requested, of a list of inputs for consideration in the final outcome communiqué and the possible separate outcome document on the food and fuel crisis (we are doing this now).

  
John Holmes  
18 June 2008

cc: Mr. Kim  
Mr. Meyer  
Mr. Nabarro  
Mr. Orr

Attachment: preliminary G8 Hokkaido

| DCDC   | CDC   | SG   |
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| <b>Recommended Action:</b><br>SG's attention<br>Date: 20/6/08<br>Comment (if applicable):<br>will include these inputs in SG's remarks during Japan visit & G-8. | <b>For SG's approval</b><br><b>For SG's attention</b><br><b>For SG's information</b><br><b>For SG's signature</b><br>Date: 20/6<br>Comment (if applicable): | <b>Approved</b><br><b>Noted</b><br><b>Seen</b><br><b>Signed</b><br>Date: |

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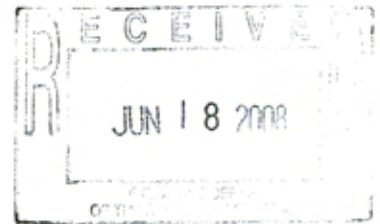
## G8 Hokkaido Toyako Summit Schedule

| Monday, 7 July    |                                      | Tuesday, 8 July |                    | Wednesday, 9 July |   |
|-------------------|--------------------------------------|-----------------|--------------------|-------------------|---|
| Lunch & Afternoon | Outreach Working Lunch<br>(Note 1)   | Morning         | G8 Working Session | Morning           | Outreach Working Session<br>(Note 2)      |
|                   | Photo Session (G8+Note 1)            | Afternoon       | Photo Session (G8) | Afternoon         | Major Economies Meeting (MEM)<br>(Note 3) |
|                   | Outreach Working Session<br>(Note 1) |                 | G8 Working Lunch   | Lunch             | Photo Session (G8+Note 3)                 |
| Evening           | G8 Social Event                      |                 | G8 Working Session | Afternoon         | Outreach Working Lunch<br>(Note 3)        |
|                   | G8 Social Dinner                     | Evening         | G8 Working Dinner  | Evening           | Press Conference by Chair *               |

(Note 1) Heads of Algeria, Ethiopia, Ghana, Nigeria, Senegal, South Africa and Tanzania and Chairperson of African Union (AU)

(Note 2) Heads of Brazil, China, India and South Africa

(Note 3) Heads of Australia, Brazil, China, India, Indonesia, Mexico, Republic of Korea and South Africa



**Note to Mr. Nambiar**

**Consultation with Japan on G8 Preparations**

Please find attached a note on the G8 preparations.

I would be grateful if you could kindly submit the attached to the Secretary-General.

A handwritten signature in black ink, appearing to read "John Holmes".

John Holmes  
18 June 2008