



INTRODUCTORY STATEMENT BY M. JACQUES CHIRAC, PRESIDENT OF THE REPUBLIC, AT A MEETING WITH NON-GOVERNMENTAL ORGANIZATIONS, PROFESSIONAL ORGANIZATIONS AND LOCAL AUTHORITIES, LOOKING AHEAD TO THE FORTHCOMING SEA ISLAND G8 SUMMIT (EXCERPTS)

(Paris, 18 May 2004)

(...)

On the eve of the Sea Island meeting (...) I would like to talk to you about some of the priorities.

For France, as you know, the G8 has a useful, but limited role of injecting momentum. Its aim is not to set itself up as a world "Directory" or usurp the role of the multilateral institutions starting with the United Nations. Its legitimacy comes from its members' economic weight, which confers on them a special responsibility to promote growth and employment and together seek answers to the major challenges of our time:

- the challenge of solidarity, especially vis-à-vis Africa;
- the challenge of acting responsibly, in order to use the forces of globalization to further social and human progress and remedy the deterioration of our environment.

French priorities for Sea Island

WORLD ECONOMY

1) First priority: to promote sustainable, fair growth.

The G8's mission is firstly an economic one. Consequently, at Sea Island, as we do every year, we are going to discuss the global economic situation. A situation marked by the resumption of growth.

I'm nevertheless worried by the persistence of some major imbalances. At a time when France and Europe are pursuing essential, but tough reforms, the stronger growth today enjoyed by the United States is being financed by widening budget and trade deficits. This situation is fraught with risks, particularly for exchange and interest rates. We shall discuss this.

We shall also talk about the possible consequences for world growth of the sharp rise in oil prices.

At Sea Island we shall also have to discuss the longer-term trend for the global economy. This is characterized by very positive developments like the



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emergence of China and India thanks to which hundreds of millions of women and men can escape poverty.

But it is also accompanied by worrying developments like the persistent marginalization of the poorest countries, and Africa in particular.

Finally, we are witnessing the continuing trend towards relocations in what are at times questionable circumstances. We are trying with our European partners, particularly Germany, to have a common approach to this issue.

DEVELOPMENT/DOHA TRADE ROUND

At Sea Island we shall have to look at the possibility of relaunching the Doha Trade Round at the WTO. I'm of course in favour of trade liberalization. But we mustn't forget the end goal: to create new wealth for the benefit of the great majority of people, and especially the poorest.

The Round's raison d'Être is development. Here, let me add that last year, at the Africa-France Summit, I put forward proposals to help Sub-Saharan Africa that continent marginalized through globalization. These proposals which concerned trade preferences, commodity prices and rich countries' subsidies to agricultural exports to that part of the world remain on the table.

It is, however, clear to me today that we are losing sight of the Round's first goal and that discussions are focused on eliminating the European refunds [EU export subsidy payments compensating for differences in prices between the world and EU markets]. This measure would impose a social cost on our farmers.

The whole question is now of knowing the degree to which this measure would be balanced by similar moves by our partners and would really benefit the poor countries' farmers. This is why I intend to insist on a strict parallel being drawn between the treatment of all forms of direct and indirect agricultural export subsidies.

TRADE LIBERALIZATION/RESPONSIBLE TRADE

Pursuit of trade liberalization has to bring human, social and environmental progress. This is why at Sea Island I intend to raise the subject of "responsible trade", building on the conclusions of the Evian G8 and the report of the World Commission on the Social Dimension of Globalization which Mr Somavia is coming to present to me on 25 May.

So I shall propose strengthening the mechanisms which already exist for committing firms voluntarily to responsible trade (OECD Guidelines for Multinational Enterprises, United Nations Global Pact) and looking at the feasibility of the new instruments designed to encourage multinationals to act more responsibly and increase States' accountability when it comes to ensuring their companies observe certain fundamental human and social rights.



SLAVERY

I have also suggested that this year the G8 take an initiative on slavery. The United Nations has declared 2004 the "International Year for the Commemoration of the Fight against Slavery and its Abolition". Indeed, this scourge which we thought had disappeared is reappearing with globalization. Today, all over the world, twenty million people, women, men and very many children are victims of it. I have therefore suggested to our G8 partners the adoption of national legislation in each of our countries to permit the prosecution of any of our firms which have knowingly resorted to modern forms of slavery in third countries.

2) Second priority: development.

Half-way through the exercise, the United Nations will in 2005 review progress on achieving the Millennium Goals. Extra efforts will be essential if we are to meet the 2015 deadline. The battle will be won or lost in Africa as much as in China and India.

At Sea Island we shall adopt an action plan in order to spur initiative and mobilize private financing for development. This plan will inter alia aim to:

reduce the costs of transferring migrants back to their countries of origin and channel the money saved, totalling several tens of billions of euros a year, into productive investment. I shall nevertheless draw attention to the fact that this money belongs to those who have earned it through their work and so must not replace official development assistance (ODA);

- on a French proposal, this action plan should also include an initiative on micro-financing. Our goal must be to change the scale of these mechanisms which have already allowed several tens of millions of women and men, too poor to access a traditional banking system in developing countries, to carry out their projects and improve their lot. This morning I had meetings with Mr Mohammed Yunus (Grameen Bank) and, among others, Mrs Maria Nowak and M. Xavier Lamblin.

Initiative and private financing must not replace ODA particularly in the infrastructure sphere and social sectors (education and health).

HIPC INITIATIVE/NIGER

At Sea Island, we shall also have to review the implementation of the initiative for reducing the poorest countries' debts, which, in principle, is being wound up at the end of this year. Implementation of this initiative has fallen behind schedule, even though the recent settlement of Niger's case, in which I personally intervened, is very good news.

MILLENNIUM GOAL FUNDING



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According to the experts an extra \$50 billion or so of ODA a year between now and 2015 is necessary to achieve the Millennium Goals. The increased funding we pledged in Monterrey and you know the special effort France has made won't be enough.

An international debate, which France is fully supporting, is under way on innovatory funding mechanisms, such as financial facilities and an international taxation system. In this connection, on 8 April this year at Bercy, we organized with the British a Ministerial Forum on Financing for Development, and the World Bank is scheduled to submit a report on the subject this autumn.

WORKING GROUP ON NEW INTERNATIONAL CONTRIBUTIONS TO FINANCE DEVELOPMENT

I also received, on 14 May, the preliminary conclusions of the working group I set up, under Jean-Pierre Landau's chairmanship, to look into the feasibility of the various possible ways of bringing in an international taxation system. Without underestimating the difficulties raised by such mechanisms, these discussions have opened up some promising avenues.

I shall shortly be writing to our G8 partners and a number of other leaders to inform them of these conclusions and I intend raising the issue at Sea Island. I should like this debate to go on, and, in this respect, I'm pinning a lot of hope on the British G8 presidency in 2005.

NEPAD/UK G8 PRESIDENCY

3) Third priority: NEPAD

NEPAD is today going through a particularly delicate phase: the move from theory to practice. Its implementation is progressing and the first peer reviews, critical for assessing good governance, are scheduled to begin very soon. In this decisive phase, the G8 mustn't let up on its support. And this will in fact be one of the priorities of the British presidency in 2005.

SEA ISLAND G8/AFRICAN COUNTRIES

This year's US G8 presidency is contemplating inviting some African leaders to Sea Island for a summit dialogue. We are also scheduled to adopt several texts supporting NEPAD:

- an action plan on food security, agricultural productivity and rural development, with the particular aim of breaking the cycle of famine in Ethiopia;
- an action plan on strengthening peacekeeping capabilities, which, to begin with, will focus on Africa.

AIDS/GLOBAL FUND



4. Fourth priority: health and the fight against AIDS.

The US presidency is proposing that the G8 adopt at Sea Island an initiative designed to improve the coordination of efforts to develop a vaccine against AIDS. We are supporting the principle of this constructive initiative, but we mustn't lose sight of the fact that the development of a vaccine against this terrible disease is still, alas, a long way off. So the priority has to remain prevention and access to treatment.

So I would like the G8 at Sea Island explicitly to reaffirm its support for the Global Fund. In this respect, I am particularly worried about the long-term financing of this Fund.

I shall also draw attention at Sea Island to the importance of the proper implementation of the agreement reached at the WTO on intellectual property and access to medicines. For her part, France has proposed helping those African countries which desire her assistance to use the flexibilities in it. Also the transposition of the provisions of this agreement into our domestic law is under way and I want it to be completed swiftly.

ENVIRONMENT/CLIMATE CHANGE/BIODIVERSITY

5) Fifth priority: the environment and fight against climate change.

I intend drawing attention at Sea Island to the absolute urgency of the fight against global warming. This is a challenge affecting the planet's future, even though some major countries have adopted on this issue a regrettable and, in the long-term untenable position. With this in view, I shall continue to press with President Putin the case for Russia ratifying the Kyoto Protocol without any further delay so that it can enter into force.

We shall also discuss biodiversity in the framework of the follow-up to the Evian summit. |