

The Rt Hon Tony Blair MP
UK Prime Minister and President of the G8
10 Downing Street
London, SW1A 2AA
United Kingdom

20 June 2005

THE PRESIDENT

G8 Summit in Gleneagles (6-8 July 2005)

Dear Prime Minister,

At the next G8 meeting under the UK Presidency, development in Africa and climate change will be the overriding issues. UNICE, representing the European Business community, would therefore like to present to you its suggestions and ideas on these topics.

1. Development in Africa

UNICE strongly supports the G8 focus on Africa in view of pursuing the objectives of the Millennium Development Goals (MDG) and the UK Commission for Africa report. European business agrees that more effort is needed to move from understanding the causes of underdevelopment to achieving concrete improvements for the lives of millions of poor people. The Commission for Africa report outlined the key issues for achieving the MDG: strengthening governance; conflict prevention; improving the investment climate; addressing structural problems in infrastructure; increasing agricultural and industrial productivity; ensuring adequate health and education services and population growth surpassing available resources. The 11 June G8 Finance Ministers' conclusions on development are also a significant contribution to the MDG.

The development of Africa will only be possible if there is a dramatic change in government systems. National governments must be urged to eradicate corruption and adopt stable and sound policies. If that is not done, only minor improvements might occur, but Africa will not achieve the sustainable economic and social development it desperately needs.

We believe that it is very much in the interest of all industrialised countries to cooperate closely with African counterparts to address these development challenges, while ensuring that Africans have real ownership of the key objectives. UNICE believes that world leaders should act to strengthen the hand of African governments committed to achieving the MDG in particular in trade and investment policy, infrastructure development and a stronger focus on private sector development in Africa.

European business is a strong supporter of the development focus of the Everything But Arms initiative and the WTO Doha Development Agenda and EU-ACP Economic Partnership Agreement negotiations. In addition to improving trade opportunities for African countries, we should actively support regional development in Africa to reduce market fragmentation and to help generate a more favourable investment climate. Of course, trade policy needs to be integrated into a comprehensive development strategy that includes better coordinated and more effective aid policies. For instance, development assistance should be responsive to the needs of African countries to develop sufficient transport capacities and stable power and water supply. Finally, European business would like to highlight that private sector capacity-building is essential to ensure that the African business sector can contribute to creating an enabling environment for growth and prosperity. We firmly believe that these initiatives, when combined with broader development objectives, can contribute significantly to improving development prospects and the integration of African countries into the world economy.

2. Climate Change

Combating climate change can only be effective if it is organised in the framework of a truly global strategy, including tangible participation of all countries, with a fair sharing of efforts.

This requirement can be illustrated by the fact that developing countries will overtake OECD as the leading contributor to global emissions early in the 2020s.

UNICE calls for the G8 discussions to achieve progress on the issue of how to launch a process for the definition of an effective strategy for international cooperation for post-2012 at the 11th meeting of the Conference of Parties to UNFCCC (United Nations Framework Convention on Climate Change), which will be held in Montreal from 28 November to 10 December 2005.

Regarding the post-2012 regime, the EU and other Parties to UNFCCC have put forward a number of avenues that might be explored, and G8 should work with all Parties in order to move the debate forward. The UNFCCC seminar in May made very clear that Parties have a wide range of views on how best to address the post-2012 issue. However, cooperation, transparency, simplicity, flexibility and a focus on sustainable development were common key elements called for the post-2012 regime. G8 should encourage an approach that takes into account the experience of climate policies in different countries and regions, as well as sound scientific analysis.

Disseminating low-emission technologies already available and developing new ones are of key importance for protecting the climate. Experts from both industrialised and developing countries all recognise the importance of technology and technology transfer, the vital need for appropriate enabling conditions and the role that the private sector plays in this respect. It is essential that investments in, and access to, a full range of energy options and technologies, including enhanced research for innovative affordable technologies and increased utilisation of the existing efficient technologies are encouraged. UNICE hopes that the planned G8 discussion on a package of practical measures relating to technology will allow progress in this area.

The Clean Development Mechanism is an important tool for underpinning technology transfer. G8 should take action to provide adequate levels of funding to ensure that the Clean Development Mechanism and its Executive Board function properly and professionally to enable timely approval of projects that both result in real emission reductions and contribute to sustainable development.

In the design of the future global regime, it is important to recognise that much has been achieved already, through the contribution of industry operating on open markets, in curtailing emissions growth and investing in the technologies on which the world will rely in the future, if emissions are to be substantially reduced. It is profitable companies that invest in R&D and in the dissemination of many of the new technologies, thereby supporting global efforts to mitigate and adapt to climate change. Protection of the competitiveness of European business is therefore a must.

Climate change issues cannot be solved exclusively from an environmental perspective. It must be seen in the context of other urgent priorities – energy security, economic development, quality of life and job creation – in both the near and longer terms. Against that background, UNICE urges G8 to develop integrated thinking and action that marries environmental, social and economic realities.

Thank you in advance for the consideration you may give to UNICE's views.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Strube', with a stylized, cursive script.

Jürgen Strube