

2015 G7 Summit Recommendations Schloss Elmau, Germany

When the G7 leaders meet in June to discuss pressing global issues, it is imperative that they take action to address the needs of the world's poorest and most vulnerable people. This paper contains the recommendations of the **U.S. G7/G20 Advocacy Alliance**, a group of over 40 non-governmental organizations and labor groups. They call for the United States to play a leading role in encouraging the G7 to take the following actions:

Financial Transparency and Tax Fairness

Lead: Tom Cardamone, Global Financial Integrity (tcardamone@gfintegrity.org)

1. Ensure Global Inclusiveness

- a. The G7 must take concrete, positive steps to ensure developing countries fully and effectively participate in ongoing global transparency initiatives.
- b. G7 countries should use the Sustainable Development Goals (SDG) and Financing for Development (FfD) processes to promote inclusive financial transparency and endorse a measurable, achievable target to reduce illicit financial flows.

2. Fulfill and Extend Past Commitments

- a. Action plans on beneficial ownership transparency need to be implemented, and extended to make beneficial ownership information readily available in public records.
- b. G7 countries need to implement country-by-country reporting provisions of the OECD Base Erosion and Profit Shifting (BEPS) project and require companies to publish this information – sales, profits, taxes paid, and number of employees – in every jurisdiction in which they operate.

3. Strengthen Anti-Money Laundering Regimes

- a. G7 countries need to strengthen enforcement of anti-money laundering laws, including harmonizing standards for underlying crimes that generate illegal proceeds (so-called predicate offenses) to prevent jurisdictional arbitrage.

Food Security and Nutrition

Lead: Jennifer Rigg, 1,000 Days (jrigg.1000days@interaction.org)

1. **Ensure food and nutrition security investments strengthen the capacity of small-scale producers, build nutrition outcomes into agricultural objectives, reach vulnerable populations, and protect secure and equitable land rights, particularly for women and those living in poverty** through:

- a. Increased funding for the “One World – No Hunger Initiative.”

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- b. Strengthened partnerships with the Scaling Up Nutrition (SUN) Movement, Comprehensive Africa Agriculture Development Program (CAADP), and Global Agriculture and Food Security Program (GAFSP).
 - c. Support technically sound, accountable, country-led plans that work with initiatives, such as the African-led CAADP.
2. **Accelerate progress towards meeting all six World Health Assembly (WHA) global nutrition targets through 2025.**
 - a. Provide technical and financial support to nations with high rates of child malnutrition.
 3. **Make financial commitments to support the SDGs and increase nutrition and agricultural development ODA from G7 countries beyond 2015 with the scale and urgency needed, to achieve global food and nutrition security.**
 - a. Ensure tracking and public reporting on all food and nutrition security commitments.
 - b. Include a schedule with benchmarks to complete the L'Aquila Food Security Initiative disbursements in the G7 accountability documents.

G7 Accountability

Lead: Rob Lovelace, Trade Union Sustainable Development Unit, Canadian Labour Congress (RLovelace@tu-sdunit.com)

1. **Create consultative processes adding the perspectives of international organizations, the private sector, and civil society to the G7 process.**
 - a. These should include the G7 Task Forces, Working Groups, and Ministerial meetings.
2. **Encourage the G7 Accountability Working Group (AWG) to gather data for G7 progress assessments from multiple sources, including international organizations, regional bodies, donors, affected countries, civil society, development practitioners, and the private sector.**
 - a. The report preparation process should be transparent, with clear guidelines delineating who may contribute and how they can do so.
3. **Provide full accreditation for at least 100 civil society organizations to the media center at the annual summits.**
 - a. The CSO media accreditation process should be completed at least eight weeks prior to the summit.

Health

Lead: Smita Baruah, Save the Children (SBaruah@savechildren.org)

1. **Accelerate progress for ending preventable child and maternal deaths by:**
 - a. Reaffirming a commitment to help countries reach global targets¹ to reduce maternal, newborn, and child death rates, with interim targets and meet the World Health Assembly (WHA) global nutrition targets.²
 - b. Maintaining robust bilateral assistance while fulfilling the Gavi pledge.
2. **End the AIDS, tuberculosis, and malaria epidemics, and accelerate collaborative responses on neglected and poverty-related diseases by:**
 - a. Implementing a comprehensive G7 strategy delineating member-state commitments to fund implementation of the UNAIDS Fast Track Strategy to end AIDS by 2030, and the Global Plans to Stop TB and Roll Back Malaria.
 - b. Sustaining current funding levels for neglected tropical disease control and elimination efforts; and implement a collective G7 plan of action to address the global annual funding gap of \$220 million.³
3. **Strengthen health systems by:**
 - a. Implementing a comprehensive G7 strategy to support costed health systems strengthening plans that are community-led and community based.
 - b. Funding the expansion of coverage of those proven health technologies that will contribute to the greatest reduction in morbidity and mortality in LMICs.

- c. Funding research to build an evidence base for the relative costs and effectiveness of initiatives that deliver these technologies at high quality on a national scale.

Sustainable Development Goals

Leads: Daisy Francis, World Vision (dfrancis@worldvision.org)

Kristin Sundell, ActionAid USA (Kristin.Sundell@actionaid.org)

1. **Commit to continued engagement with the Sustainable Development Goals (SDGs) process by working to support efforts to achieve all of the SDGs by 2030.** This should include:
 - a. Commitment to human rights and respect for the dignity of all, as core, guiding principles.
 - b. Fully endorsing and supporting efforts at realizing the full range of SDGs.
 - c. Ensuring continued support across the entire 15-year implementation phase.
2. **Create inclusive, transparent, and accountable mechanisms to collect data and monitor the implementation of goals.**
 - a. This needs to include specific targets and time-bound indicators.
3. **Align viable financing strategies.**
 - a. Develop innovative mechanisms, expand incentives to advance a shared responsibility, and promote tax and financing policy coherence.
 - b. Financing and accountability partnerships should be implemented with developing countries, such as the [Mutual Review of Development Effectiveness in Africa](#), jointly undertaken by the Economic Commission for Africa and the OECD.

Women's Economic Empowerment

Lead: Melissa Kaplan, Women Thrive Worldwide (mkaplan@womenthrive.org)

1. **The G7 must ensure that all its women's economic empowerment initiatives include women living in extreme poverty.**
 - a. Invest in initiatives aimed at low-income women, including leadership development, learning exchanges, and mentoring support.
 - b. Ensure that the selection process for women's economic empowerment programs includes a significant proportion of low-income, low-skilled women living in extreme poverty.
2. **G7 countries must incorporate rigorous sex-disaggregated data collection, analysis, and public dissemination on all economic activities and labor market impacts throughout their development work.**
 - a. Build capacity of local and national governments and civil society to collect and assess sex-disaggregated data.
 - b. Ensure that data collection utilizes tools and methodologies that address the needs and behaviors of women.
3. **G7 countries must support economic and labor market policies that increase women's overall labor force participation, enhance women's agency, and ensure women's employment is non-exploitative, fairly paid, and constitutes decent work.**
 - a. Promote and implement vocational and other types of training programs designed to increase women's employment opportunities and help them transition from the informal to the formal economic sector.
 - b. Support programs that help women build skills and develop agency (e.g., mentoring programs).
 - c. Expand access to a range of financial products and services tailored to women's needs to increase their level of inclusion in the formal economy.

BACKGROUND

Financial Transparency and Tax Fairness

Financial opacity undermines the state because illicit financial flows promote crime, drive corruption, facilitate tax evasion and avoidance, drain much-needed capital from local economies, and dramatically increase inequality. Opacity makes it difficult for developing-country governments to undertake basic procedures that governments in developed nations do routinely: provide basic social services, fight crime, collect taxes, and control how public money is utilized. Steps to curtail illicit flows are needed to promote sustainable growth and development worldwide.

Include Developing Countries in Transparency Initiatives

Illicit financial flows and financial opacity are felt hardest in developing countries. As such, the G7 needs to ensure the full and effective participation of developing countries in the design, implementation, and piloting of multilateral automatic information exchange between tax authorities. G7 countries need to support the OECD's engagement of developing countries in consultations and pilots associated with the BEPS agenda. The G7 should also utilize the unique opportunity presented by the SDG and FfD processes to promote a measurable goal to curtail illicit financial flows as a key source of future domestic resource mobilization, as well as effective policies to reach such a goal.

Fulfill and Extend Past Commitments

The G7 needs to ensure that commitments to beneficial ownership transparency and curtailing tax evasion are met. We call on the G7 to commit to public beneficial ownership registries in order to facilitate effective due diligence by financial institutions and eliminate the utility of anonymous shell companies.

The OECD BEPS project country-by-country reporting requires disaggregated information from corporations on their operations. This will allow tax authorities to identify the artificial allocation of wealth to low tax countries. The G7 needs to implement this requirement as soon as practicable and make the information available to the public, enabling academics and civil society to hold companies accountable for their activities.

Strengthen Anti-Money Laundering Laws and Enforcement

Corrupt public officials, organized crime syndicates, and tax evaders easily transmit the proceeds of illegal activity into financial institutions in advanced economies because those institutions face only the smallest threat of prosecution. Criminals identify safe havens based on whether a country includes the crime that created the illicit funds in its list of predicate offenses. We call on the G7 to vigorously enforce anti-money laundering laws, including by holding senior managers to account for serious failings at their banks, and harmonize predicate offense laws to eliminate these gaps.

Food Security and Nutrition

We applaud the G7's efforts to draw attention to the plight of millions of people who suffer from hunger and malnutrition globally: at the 2009 G8 summit in L'Aquila, Italy, the international community, including the German government, collectively pledged US\$22 billion in aid to bolster food and nutrition security. We also applaud the "One World – No Hunger Initiative," which reinforces Germany's strong commitment to combat food insecurity and malnutrition globally. These initiatives draw important resources and attention to food and nutrition security, and the upcoming Nutrition for Growth Summit in 2016 in Rio de Janeiro will be another critical moment to secure new financial commitments.

We call on G7 leaders to accelerate progress in reaching global food and nutrition security commitments, including commitments made at the Second International Conference on Nutrition (ICN2) in November 2014 to establish national policies to eradicate malnutrition and transform food systems, and the six

WHA⁴ global nutrition targets that were unanimously endorsed by 194 Member States as part of the 65th WHA. Additionally, after the conclusion of the L'Aquila Food Security Initiative, food and nutrition security efforts crucially require additional financial and political commitments.

G7 Accountability

The collective response of G7 countries in meeting the great development challenges of our time has generated remarkable results. But as the Lough Erne Accountability Report rightly notes, the greatest success was possible only when the G7 worked in close partnership with developing countries and others in the international system. We strongly believe that a more inclusive and collaborative accountability process is essential for fostering the development of closer and stronger partnerships. That is why we urge the G7 to implement the measures described above, and to strive to strengthen accountability in all aspects of its work.

The G7 has continued to integrate accountability as a routine feature of its work since the first monitoring exercise in Heiligendamm, in 2007. The G7 has played a leading role in tackling health, development, and foreign policy challenges, while demonstrating that it can be nimble and adept in mobilizing effective global responses, when needed. That is why as G7 preparations get underway each year, civil society and development practitioners expend considerable energy tracking progress and identifying ways the G7 can bring unique value to new challenges.

For the 2015 Schloss Elmau Summit, the G7 should adopt a new model of inclusiveness, transparency, and engagement in the accountability process, furthering collaboration with development practitioners and civil society.

Non-state actors participating in the G7 process share similar values and goals with their government counterparts – both seek to end misery and advance human progress wherever possible. The G7 accountability process should be seen as an annual opportunity for consultations that aim to produce more informed policy, better implementation, and improved policy cohesion.

G7 accountability reports can be strengthened by creating opportunities for outside party contributions. The AWG should commit to ensuring its assessments reflect a diversity of viewpoints, including the perspectives of governments of affected states, civil society, and the private sector.

The G7 should return to the practice of granting civil society organizations meaningful access to the summit media center. We commend previous summit hosts for their use of innovative methods for gathering global perspectives and promoting inclusiveness – including web-based and social media platforms – and encourage Germany to make use of similar methods.

Health

Between 2012 and 2014, the heads of G7 nations and other world leaders pledged to end preventable maternal, newborn, and child deaths. They committed to fostering an AIDS-free generation, and to control or eliminate priority neglected tropical diseases. The U.S. has provided visible political leadership across these health areas and has taken action to help meet these global goals. Countries have also taken ownership of their role in meeting the global goals by developing their own costed national plans for these issues.

G7 leaders must continue to signal LMICs that they will support and assist them in reaching their ambitious goals and targets. This will include strengthening education and health systems with adequate resources, and ensuring the availability and sustainable management of water and sanitation systems. Leaders must also identify ways G7 nations will help to address critical shortages of health workers in developing countries.

Signaling support to countries is even more important this year, as the Ebola epidemic threatens to reverse decades of progress in Guinea, Liberia, and Sierra Leone: devastated health systems leave children without access to immunizations or basic health care; 5 million children are missing school; 10,000 children have been orphaned.

We call on the United States to lead by example and to urge other G7 leaders to recommit to ambitious global health goals by including in the G7 declaration specific language reaffirming their commitments.

Sustainable Development Goals

The international community is only months away from adopting an ambitious set of goals that will chart the course of global development for the next 15 years. The global community has shown a willingness to work together and attain consensus when there is a collective commitment to end poverty and achieve sustainable and inclusive development for everyone.

As the UN Secretary General recently noted in his synthesis report, accomplishing this will require a renewed global partnership for development, linking richer and poorer nations together. G7 leadership and sustained support of this process is vital as the negotiations conclude and a transition to the implementation phase begins. Considerable political will and commitment to achieve the SDGs is required to ensure that momentum is not lost.

The G7 needs to align multiple financing strategies, while recognizing the integrity of financing schemes that have been designed to meet specific development needs. This will promote policy coherence, minimize transaction costs, and promote efficiencies. The G7 should also continue exploring innovative financing mechanisms, such as those outlined in the U.K.'s [*Impact Investment: The Invisible Heart of Markets*](#) report.

Women's Economic Empowerment

Women's economic empowerment is beneficial not just to women living in poverty, but to the broader community. Higher gender wage gaps are associated with lower GDP growth. The Food and Agriculture Organization (FAO) estimates that if female farmers had equal access to resources, then they could increase their crop yields by 20-30 percent and decrease the number of undernourished people by 100-150 million globally.⁵ Economically empowering women and improving their employment opportunities is a smart investment.

Women from all levels of the socio-economic spectrum living in developing countries should be full participants in economic empowerment initiatives. Excluding women living in extreme poverty from economic opportunities undercuts attempts to reduce and alleviate poverty. It also robs the market system of the tremendous local knowledge, skills, and resilience poor women can contribute to economic growth and development.

Developed countries should implement proven strategies to transition women into the formal economic sector, increasing their opportunities for meaningful employment, access to financial resources, and financial self-sufficiency. At the same time, many women living in extreme poverty around the globe are employed in the "informal economy," including as subsistence-level producers, and often lack necessary rights and protections. Economic empowerment initiatives must take this reality into account through appropriate protection mechanisms alongside efforts to transition women into the formal economy.

While the statement is not designed to be a consensus position of the contributors, it has been endorsed by InterAction's leadership. Each set of recommendations was developed by a Policy Team of the G7/G20 Advocacy Alliance, listed below. Background papers on each issue will be available on the InterAction web site: www.InterAction.org.

Financial Transparency and Tax Fairness

ActionAid USA
Global Financial Integrity
Global Witness
InterAction
Jubilee USA Network
New Rules for Global Finance
ONE

Food Security and Nutrition

1,000 Days
ActionAid USA
Global Communities
Heinrich Boell Foundation
InterAction
Oxfam America
World Vision

G7 Accountability

Global Communities
InterAction
Jubilee USA Network
Sabin Vaccine Institute/Global Network for Neglected Tropical Diseases
Trade Union Sustainable Development Unit
World Vision

Health

1,000 Days
Global Communities
InterAction
Management Sciences for Health

Sabin Vaccine Institute/Global Network for Neglected Tropical Diseases
Save the Children
Trade Union Sustainable Development Unit
U.S. Fund for UNICEF
World Vision

Sustainable Development Goals

1,000 Days
ActionAid USA
Global Communities
Global Financial Integrity
HelpAge
InterAction
Jubilee USA Network
ONE
Oxfam America
Sabin Vaccine Institute/Global Network for Neglected Tropical Diseases
Trade Union Sustainable Development Unit
U.S. Fund for UNICEF
World Vision

Women's Economic Empowerment

ActionAid USA
Bread for the World
Center for Financial Inclusion at ACCION
InterAction
Opportunity International
Solidarity Center
Women Thrive Worldwide

End Notes

¹ Between 2012 and 2014, all member states of the World Health Organization – including the G7 nations – agreed to reducing child, newborn, and maternal death rates in *A Promise Renewed, Every Newborn Action Plan*.

² In 2012, all member states of the World Health Assembly agreed unanimously to meet global targets for improving maternal, infant, and young child nutrition by 2025. The WHA global nutrition targets aim, by 2025, to: 1) Reduce by 40 percent the number of children under 5 who are stunted; 2) Achieve a 50 percent reduction in the rate of anaemia in women of reproductive age; 3) Achieve a 30 percent reduction in the rate of infants born with low birth weight; 4) Ensure that there is no increase in the rate of children who are overweight; 5) Increase to at least 50 percent the rate of exclusive breastfeeding in the first six months; and 6) Reduce and maintain childhood wasting to less than 5 percent.

³ G7 leaders can advance progress towards their 2008 commitment to reach 75% of the people affected by neglected tropical diseases, while simultaneously supporting the WHO's 2020 goals, by leveraging the treatments donated by the private sector.

⁴ The WHA global nutrition targets aim, by 2025, to: 1) Reduce by 40 percent the number of children under 5 who are stunted; 2) Achieve a 50 percent reduction in the rate of anaemia in women of reproductive age; 3) Achieve a 30 percent reduction in the rate of infants born with low birth weight; 4) Ensure that there is no increase in the rate of children who are overweight; 5) Increase to at least 50 percent the rate of exclusive breastfeeding in the first six months; and 6) Reduce and maintain childhood wasting to less than 5 percent.

⁵ <http://www.fao.org/docrep/013/i2050e/i2050e.pdf>