At a glance

Plenary - 23 May 2016



The 42nd G7 Summit

On 26 and 27 May 2016, the G7 will hold its 42nd summit in Ise-Shima, Japan. The summit is expected to focus on developments in conflict regions and the refugee crisis, on global growth and on the sustainable development goals. The EU will be represented by Donald Tusk, President of the European Council, and Jean-Claude Juncker, President of the European Commission.

Origins and membership of the G7

The Group of Seven (G7) is an international forum of seven leading industrialised nations (Canada, France, Germany, Italy, Japan, UK and USA) formed in 1975. Since then, their heads of state or government have convened annual meetings to discuss key global issues. There are no formal criteria for membership, but the participants are all highly developed liberal democracies. Its members are all committed to the shared values of peace and security, freedom and human rights, democracy and the rule of law, prosperity, and sustainable development. The group deals with such issues as: the global economic outlook and macroeconomic management, international trade, energy, climate change, and relations with developing countries. Recently, the summit agenda has broadened considerably to include a host of political-security issues. The original group (without Canada which joined in 1976) held its first summit in Rambouillet, France, in November 1975. As of 1994, the G7 began to meet with Russia at each summit in an outfit referred to as the Political Eight (P8) and in 1998 Russia joined the G7 to form the G8. In March 2014 the G7 called for the G8 format to be suspended in response to Russia's conduct vis-a-vis Ukraine which was considered to be inconsistent with the group's 'shared beliefs and responsibilities'. Today, the G7 represent approximately 11% of the global population and 33% of global economic output when adjusted for purchasing power. Approximately one third of all exports worldwide come from one of the G7 states, and 35% of all goods and services imported have a G7 destination. Moreover, the G7 are among the biggest contributors to funding for international organisations and provide the finance for close to 70% of all official development assistance (ODA).

How the G7 functions

Decisions within the G7 are made on the basis of consensus. The outcomes of the summits are not legally binding, but compliance is high and their impact is substantial as the G7 members represent a significant share of global GDP and global influence. Commitments are implemented by means of bilateral measures carried out by the individual member countries and through their respective relations with other countries and influence in multilateral organisations. Compliance is particularly high in agreements on international trade and energy; the EU, the UK, Canada and Germany rank highest in compliance with G7 commitments.

The G7 has developed a network of supporting ministerial meetings, which allow ministers to meet regularly throughout the year in order to continue and prepare the work set out at each summit; these include meetings of finance ministers, foreign ministers and environment ministers, among others. G7 ministers and officials also meet on an ad hoc basis to deal with pressing issues, such as terrorism, energy, and development; from time to time the leaders also create task forces or working groups to focus on specific issues of concern. As the G7 does not have a permanent secretariat, the annual summit is organised by the G7 country that holds the rotating presidency for that year. Traditionally, this country also determines the summit's agenda, which includes a mix of fixed topics (discussed at every summit), such as the global economic climate, foreign and security policy, and current topics in which a coordinated G7 approach appears particularly appropriate or urgent. The preparatory and follow-up work, including the preparation of the final declarations that contain the key outcomes of the summit, is carried out by the governments' chief negotiators, known as *sherpas*. The summit communiqué is politically binding on all G7 members. The 2016 presidency is held by Japan; Italy will follow in 2017. The 2015 Summit was held in Schloss Elmau, Bavaria,



under the German presidency. Some of the key outcomes of the 2015 Summit were the G7 agreement on mitigating the impact of climate change by adopting ambitious climate targets and dedicating funds to help address the effects of climate change; the resolution to potentially broaden economic sanctions against Russia; and a G7 consensus on the situation in Greece, namely that Athens must agree to economic reforms in order to receive continued financing. The resulting <u>declaration</u> included issues ranging from nuclear safety, climate change, and the global trade agenda, to anti-microbial resistance and neglected tropical diseases. Some <u>analysts</u> have argued that the Elmau Summit was an indication of the influence of the G7, which has been questioned in light of the growing importance of the <u>G20</u>.

The EU in the G7

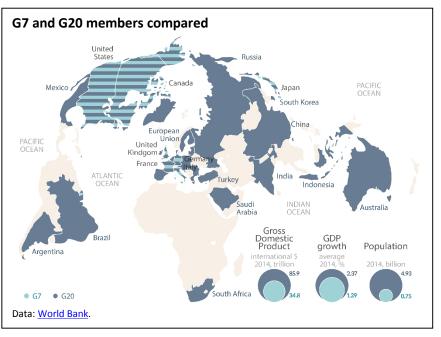
The European Community (later the EU) became a <u>full participant</u> in the G7 in 1981. Since then it has taken part in discussions on all topics on the agenda and in all summit working sessions. However, as it is not a member, it cannot hold the presidency or host a summit. <u>Studies</u> have suggested that the highest level of intra-EU coordination for the G7 (and G20) summits is found in the area of financial and economic affairs, and that coordination for the G7 tends to focus on EU-related matters that involve all EU Member States. The EU sherpa informs the Member States about the state of preparation for the summits, which are attended by the <u>Presidents</u> of the Commission and of the Council.

Agenda of the 42nd Summit

The next summit will be held on 26 and 27 May 2016 in Ise-Shima, Japan. A number of ministerial-level preparatory meetings were held in April and May. The topics chosen by the Japanese presidency include:

- the global economy and trade, with a focus on the slowdowns in emerging markets, the sharp drop in oil prices and weakening trade;
- foreign policy, looking closely at counter-terrorism, the Middle East, Ukraine and North Korea; analysts expect that this will expand to include the South China Sea and nuclear non-proliferation;
- climate change and energy, in particular how to build on the Paris Agreement adopted at COP21, and how to cope with energy security within the changing international energy landscape;
- development, with an emphasis on the implementation of the recently adopted 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs);
- quality infrastructure investment, including the global promotion of infrastructure investment for sustainable growth and the possible contribution of the G7, including in guiding the G20 summit, which has been focusing closely on the subject;
- health, with an emphasis on strengthening the response to public health emergencies, such as Ebola and on ensuring the provision of healthcare services, in the pursuit of universal health coverage (UHC);
- women, with a focus on education, greater engagement in natural sciences and technology, and in the strengthening of their role in a wider range of areas.

The forthcoming summit has turned the spotlight on relations between Japan and Russia. The two have a longstanding <u>dispute</u> over the Kuril Islands (Northern Territories) and Japan has been a supporter of G7 sanctions against Russia. Yet, ahead of the summit, Prime Minister Shinzo Abe emphasised the need for cooperation with Russia in order to face up to global threats such as the rise of ISIL/Da'esh. While cooperation with Russia may be discussed during the summit, analysts not expect any significant progress in bilateral relations between Russia and Japan.



Members' Research Service Page 2 of 2