

G20

Perspectives from

Felipe Calderón • Lee Myung-bak
Julia Gillard • Dilma Rousseff
Jacob Zuma • Angel Gurría
Juan Somavia • Hans Hoogervorst
Lars Thunell • Maria van der Hoeven
Achim Steiner • Michel Jarraud
Braulio Ferreira de Souza Dias
Supachai Panitchpakdi • Michel Sidibé
Raymond Benjamin • Lawrence Summers

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G20 Research Group



The quest for
growth and stability

Athabasca's Cleaner



The global demand for energy will continue to dominate the Canadian and international political and economic agendas. Athabasca Oil Sands Corp. offers an innovative solution to these energy challenges. The company holds an enormous acreage position in Alberta's oil sands region and anticipates using a breakthrough technology to produce its extra heavy oil resources in a sustainable and responsible manner.

Athabasca's new technology is called thermal assisted gravity drainage (TAGD) which uses electricity to gently heat the reservoir. Thermal heating is similar to the in-floor radiant heating systems people install in concrete floors to keep warm and comfortable. The heat is constant and even.

The company believes TAGD addresses a number of international concerns: it eliminates mines and tailings ponds, uses directional drilling from pads to minimize the surface footprint; it uses no water and significantly minimizes carbon dioxide emissions. Thus TAGD could be more profitable and environmentally sensitive than other oil sands recovery methods.

The company's prize reservoir is in its wholly-owned Dover West oil field, about 70 kilometres northwest of Fort McMurray. The oil is trapped in a 100 - 150 metres thick reef, called the Leduc carbonate, about 350 metres below the surface. Conservative estimates from third-party evaluators show approximately 17 billion barrels of contingent oil-in-place (best estimate) which could support production of 250,000 barrels per day for several decades.

Oil Sands Strategy



ATHABASCA

For commercial production, Athabasca could clear a select number of corridors through the forest, construct pads and directionally drill wells into the reef. Each pad is expected to be reclaimed shortly after the extra heavy oil production ceases, unless another technological advancement proves effective to sweep the reservoir clean.

Athabasca has a large extra heavy oil reservoir that could be Canada's answer to Saudi Arabia's elephant oil fields.

Although it is preliminary and not yet commercially proven, Athabasca believes TAGD may help Canada become an energy superpower, producing cleaner energy.



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GEOGLAM: improving food security through the use of Earth observations



Different kinds of cropping systems

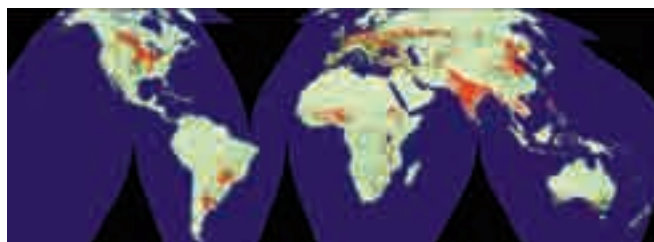
Concerned about volatility in global food markets, the G20 adopted the Group on Earth Observations Global Agriculture Monitoring initiative, or GEOGLAM, in 2011 as part of its Action Plan on Food Price Volatility and Agriculture. The role of GEOGLAM will be to strengthen the international community's capacity to produce and disseminate timely and accurate information on agricultural production at the national, regional and global scales.

GEOGLAM will build on existing agricultural monitoring initiatives and enhance them through international networking, national capacity development and data-sharing. The GEOGLAM network comprises national agricultural agencies; international bodies such as the Food and Agriculture Organization, the World Meteorological Organization, and the World Food Programme; and a diversity of other institutions that participate in the GEO Agricultural Monitoring Community of Practice.

GEOGLAM will mobilise satellite and meteorological data and ground-based agricultural observations. It will also advocate full and open data-sharing.

The initiative will start by focusing on four key crops – corn, rice, soybeans and wheat – that are widely traded and the production of which is dominated by the world's main agricultural producers. Fluctuations in the annual production of these critical commodities can impact global food markets and threaten food security in vulnerable countries. GEOGLAM will also address the particular priorities of countries at risk, such as, for example, sorghum production in western Africa.

The G20 has invited the Group on Earth Observations (GEO) to lead the development of this initiative. GEO is a voluntary partnership of 88 governments, the European Commission and 61 international organisations that is building the Global Earth Observation System of Systems (GEOSS). It provides a framework within which these partners can coordinate their Earth observation strategies and investments, share their data, and develop new projects. In this way, GEO aims to ensure that



Distribution of global croplands



Global normalised difference vegetation index (NDVI) anomalies

decision-makers have full access to the cross-cutting data and information that they need for addressing critical global issues.

G20 countries can promote the success of GEOGLAM by ensuring sustained long-term investments in satellite and in situ networks, actively supporting the full and open sharing of data, and facilitating GEOGLAM's fundraising activities.

G20

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Editors John Kirton
Madeline Koch
Guest editor Rafael Fernández de Castro
Senior researchers Julia Kulik, Zaria Shaw
Editor-in-chief Colette Doyle
Managing editor Barry Davies
Sub-editors Matthew Andrews, Nicola Hodges
Erica Moss, Kate Williamson

Art editors Jean-Philippe Stanway, James White
Designers John Bowling, Jamie Young

Production and distribution manager Malcolm Green
Editorial production assistant Elizabeth Heuchan

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Sales manager James Johnston
Sales executives David Amos, Tatyana Bondarchuk, Peter De Vries
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Tel: +1 (202) 904 2423 Fax: +1 (202) 904 2424

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In cooperation with the
G20 Research Group
Munk School of Global Affairs
and Trinity College
University of Toronto
1 Devonshire Place, Room 209N
Toronto ON M5S 3K7
Canada
Tel: +1 416 946 8953
www.g20.utoronto.ca

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In January, Petrofac signed an alliance agreement with Schlumberger for production enhancement of mature fields on a global basis



Contents

Introductions and Leaders' Perspectives

- 14 Mexico's vision of innovation and cooperation at the Los Cabos Summit**
Felipe Calderón, president, Mexico
- 18 Maintaining momentum towards growth**
Lee Myung-bak, president, Korea
- 22 A relentless focus on global economic and financial prosperity**
Julia Gillard, prime minister, Australia
- 25 Brazil's view on global economic and environmental governance**
Dilma Rousseff, president, Brazil
- 30 South Africa's philosophy of interconnectedness**
Jacob Zuma, president, South Africa
- 34 Prospects for the G20 Los Cabos summit**
John Kirton, co-director, G20 Research Group
- 39 The State of Baja California Sur welcomes the G20 and the world**
Marcos Covarrubias Villaseñor, governor, Baja California Sur

Generating Global Economic Growth and Jobs

- 42 Encouraging and sharing good economic governance**
Angel Gurría, secretary general, Organisation for Economic Co-operation and Development
- 46 Time for a policy rethink**
Juan Somavia, director general, International Labour Organization
- 50 Strengthening social protection and economic development**
Errol Frank Stoové, president, International Social Security Association
- 54 America's economic challenges and opportunities**
Robert Fauver, former G7/G8 sherpa
- 58 Europe's growth challenges – seeking common ground**
Paolo Savona, emeritus professor of political economy, Rome
- 62 Differentiated governance themes between Japan and China**
Naoki Tanaka, Centre for International Public Policy Studies, Tokyo

Creating economic value: towards a new model of urban project evaluation



Stephen Beatty,
Americas Head of
Global Infrastructure
Partner, KPMG in Canada



Lewis Atter,
Associate Partner,
Corporate Finance,
KPMG in the UK

There is little doubt that cities are the engine of economic growth. Already, the world's cities are home to more than half of the global population and drive the vast majority of economic output. It is equally clear that economic growth can be enhanced through infrastructure development.

But measuring the economic benefits of infrastructure at a city level is notoriously difficult. In part, this is due to the influence of a wide range of external forces that alter the value of infrastructure from an economic perspective.

More importantly, however, it is because infrastructure tends to be approached as fairly simple equations responding to a specific challenge ("we need to move people and goods faster and more reliably", "we are running out of generation capacity", or "we cannot go on polluting our rivers"). What's more, investment is generally rationalised using sector-specific

For developing and emerging economies, such as those in South America, this approach offers an opportunity to leapfrog more developed economies

methodologies (such as road users' value of time saved in traffic versus net costs to taxpayers).

Indeed, viewing infrastructure investment on a project-by-project basis may do more to hinder economic growth than support it. Take, for example, a roads project that connects an industrial development to a new port project: viewed as an isolated project and measured by time saved in traffic, the road would be hard to justify. But when one combines the economic benefits of delivering products to export markets with the increased throughput of the port and the potential for job creation, it becomes clear that the road actually provides exceptional value.

Rather than the traditional approach to evaluating projects that has – historically, resulted – in chronic underinvestment and otherwise worthy projects becoming stalled, what is needed is a new model that focuses on achieving growth and wider economic benefits such as increased tax proceeds, new jobs and enhanced gross domestic product.

And when projects are viewed against those criteria, one quickly starts to rethink the way that infrastructure delivers

value to the economy. Digging deeper into transportation investments, for example, it becomes apparent that, rather than simply linking two points on a map, mass transit delivers value by connecting businesses to labour markets, businesses to businesses, or businesses to consumer markets. In other words, it's about improving connectivity.

But there are other ways to improve connectivity. In the UK, the Greater Manchester region has led the charge towards a new approach that started with civic leaders thinking about regeneration programmes as a way to improve business connectivity, and housing programmes as a means to improve labour markets. Rather than simply building out inter-regional transportation systems in order to reduce commuter travel times, they began to think more clearly about how housing, planning and transport can be improved to not only boost labour markets, but also to deliver a catalyst to communities that were less connected.

Essentially, what it comes down to is the question of what investment will deliver the most potential for job creation and productivity. And suddenly, rather than deciding on the value of a single mass transit system, the field is thrown wide open to also include civic planning, business promotion, urban regeneration and a host of other approaches and investments that may deliver a bigger bang for the investment buck and – as a result – greater economic development.

Greater Manchester's model has also gained the support of the national government which, recognising the economic benefits of the new approach, has signed an innovative deal allowing the city to 'earn back' a portion of the additional tax generated by investing in infrastructure, thereby enabling Manchester to create a genuinely self-sustaining proposition for economic growth and development.

For developing and emerging economies, such as those in South America, the potential of a new model for evaluating projects should be warmly welcomed. With burgeoning urban centres, stagnant economic growth and a legacy of underfunding infrastructure, this new approach offers governments an opportunity to leapfrog more developed economies by adopting a single-minded focus on driving economic value from infrastructure investment.

To be sure, there will be significant challenges. Government departments will need to integrate their approaches to investment in order to rally around common objectives; leadership will be



required at the highest level to provide the political will to do what is best for the economy as a whole; new agreements and close cooperation must be adopted between civic, regional and national governments to drive balanced investments and benefits.

But through taking a new and economically oriented approach, it seems clear that governments may now have a new model for turning infrastructure investment into much-needed economic growth.



infrastructure@kpmg.com

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66 The Chinese economy in transition: its contribution to global growth

Yang Yao, director, China Centre for Economic Research, Peking University

70 Join together to generate global economic growth

David Hale, chair, David Hale Global Economics; co-editor of *What's Next? Unconventional Wisdom on the Future of the World Economy*

Financial Regulation, Supervision, Inclusion and Protection

74 Going global with international financial reporting standards

Hans Hoogervorst, chair, International Accounting Standards Board

80 Regulation of money markets is essential to prevent a crisis

Lida Preyma, G20 Research Group

84 The growing role of social business in development

Muhammad Yunus, Yunus Centre

88 How microfinance can contribute to growth in developed countries, too

Maria Nowak, president, Adie International

92 Safe and fair financial services – enhancing consumer protection

Justin Macmullan, head of advocacy, Consumers International, and Adriana Labardini, director, Alconsumidor

International Financial Architecture

96 Strengthening the International Monetary Fund

Domenico Lombardi, president, Oxford Institute for Economic Policy, and senior fellow, Brookings Institution

100 The future of the World Bank: considering the options

Johannes F Linn, Brookings Institution

Food, Agriculture and Commodities

104 Feeding the world

José Graziano da Silva, director general, United Nations Food and Agriculture Organization

108 Investing in agriculture to drive sustainable development

Kanayo F Nwanze, president, International Fund for Agricultural Development

112 Financing food security: the role of the private sector

Lars H Thunell, executive vice president and CEO, International Finance Corporation, World Bank Group

116 Improving nutrition for Africa's food security

Jay Naidoo, Global Alliance for Improved Nutrition



120 Financial volatility: dealing with derivatives in commodity markets

Chiara Oldani, University of Viterbo

Energy

122 Energy price volatility in fossil fuel markets

Maria van der Hoeven, executive director, International Energy Agency

124 Progressing on subsidy reform: addressing the barriers

Mark Halle, director, Global Subsidies Initiative; executive director, IISD-Europe

Sustainable Development, Green Growth and Climate Change

128 Global sustainability reporting: the corporate path to a green economy

Achim Steiner, United Nations under-secretary general and executive director, United Nations, Environment Programme, and David Pitt-Watson, chair, Hermes Focus Asset Management, and chair, UNEP FI Investment Commission

130 The year that the world faced up to climate change

Michel Jarraud, secretary general, World Meteorological Organization

132 Biodiversity, its values and economic development

Braulio Ferreira de Souza Dias, executive secretary to the Convention on Biological Diversity

134 The contribution of civil aviation to climate change control

Raymond Benjamin, secretary general, International Civil Aviation Organization

138 Sustainable development: turning the idea into reality

Adriana Abdenur, general coordinator, BRICS Policy Centre; professor, Catholic University of Rio de Janeiro



Development

- 140 Sustaining growth in Latin America and the Caribbean**
Luis Alberto Moreno, president, Inter-American Development Bank
- 144 Moving beyond complacency: towards a renewed development**
Enrique García, president and CEO, CAF – Development Bank of Latin America
- 146 Promoting sustainable development and green growth in Asia**
Haruhiko Kuroda, president, Asian Development Bank
- 150 Developing Africa**
Donald Kaberuka, president, African Development Bank
- 152 India's story of agricultural growth**
Yoginder K Alagh, former minister of power, planning, science and technology; chair, Institute of Rural Management Anand, India
- 156 Finance, governance, knowledge: pillars to protect the world's water**
Loïc Fauchon, president, World Water Council

Health

- 160 Promoting the global governance of international health and development**
Michel Sidibé, executive director, UNAIDS
- 164 Fiscal stability, economic growth and non-communicable diseases**
Mirta Roses-Periago, director, Pan American Health Organization
- 168 Addressing global health challenges through improved nutrition**
Julio Frenk, chair, Partnership for Maternal, Newborn and Child Health; dean, Harvard School of Public Health; and former minister of health, Mexico

Trade, Investment and Infrastructure

- 170 Improving national and international investment regimes**
Supachai Panitchpakdi, secretary-general, United Nations Conference on Trade and Development (UNCTAD)
- 174 Liberalising trade: mapping the way ahead**
Tu Xinquan, University of International Business and Economics, Beijing

Corruption and Good Governance

- 176 Combating transnational crime and cybercrime**
Ronald K Noble, secretary general, Interpol

Governance

- 180 The importance of improving G20 accountability**
Ella Kokotsis, G20 Research Group
- 183 Keeping promises: how big a difference has G20 summitry made**
Caroline Bracht, G20 Research Group, University of Toronto, and Mark Rakhmangulov, Global Governance Research Centre, National Research University Higher School of Economics
- 188 At the heart of global governance: achievements and future challenges**
Andrew F Cooper, Balsillie School of International Affairs at the University of Waterloo, and distinguished fellow, Centre for International Governance Innovation
- 190 Time for a new version of globalisation? A view from China**
Su Changhe, School of International Relations and Public Affairs, Fudan University, Shanghai
- 192 Russia's vision for G20 summitry**
Marina Larionova, director, International Organisations Research Institute, National Research University Higher School of Economics
- 194 The B20's role in G20 governance**
Alejandro Ramirez Magaña, chair, B20 Organizing Committee
- 196 Young entrepreneurs are crucial to economic recovery and prosperity**
Vivian Prokop, founding chair, G20 Young Entrepreneurs' Alliance, and CEO, Canadian Youth Business Foundation; Francisco Ruiz, president, 2012 G20 YES Mexico, and president, Young Entrepreneurs of Coparmex; and Victor Sedov, president, 2013 G20 YES Russia, and president, Center for Entrepreneurship Russia
- 198 The G20 in retrospect and prospect**
Lawrence H Summers, John F Kennedy School of Government, Harvard University and Matthew J Schoenfeld, Harvard Law School

201 Leaders' profiles

206 Sponsors' index

Caja Popular Mexicana: a cooperative helping to build a better world



**By Ramón Imperial Zúñiga,
Managing Director,
Caja Popular Mexicana
and President of the
International Cooperative
Alliance for the Americas**

International recognition for the cooperative sector

This is a very important year for the global cooperative movement, since the United Nations has proclaimed 2012 as the International Year of Cooperatives to raise awareness of their contribution to socioeconomic development, and especially the impact they produce on poverty eradication, the creation of new jobs and social integration.

Caja Popular Mexicana is a savings and loans cooperative comprising close to two million people who have voluntarily

joined as members to achieve common economic goals and match their social and cultural needs and aspirations through a democratic member-owned enterprise.

The International Cooperative Alliance represents more than one billion people worldwide, including Caja Popular Mexicana's members. Cooperatives enable their members to start their own businesses and help them to create opportunities for their families, such as building houses or educating their children. They contribute to all economic activities, such as agriculture, banks, savings and loans, industry, insurance, fisheries, housing, health, utilities, social services, tourism and hospitality, and consumer services.

Cooperatives also allow for cost reductions by sharing resources and ensuring greater bargaining power when purchasing supplies or the equipment that members need to do their jobs. They also offer better market opportunities when negotiating product prices – in other words, they generate wealth and prosperity for their communities.



Caja Popular Mexicana provides its two million members with the opportunity to escape poverty and engage in productive work

We are honoured that the UN has designated 2012 the International Year of Cooperatives, as this recognises the role that cooperatives have played in eradicating poverty, creating jobs and promoting social integration worldwide.

“Cooperatives are a unique and invaluable presence in today’s world. They enable social inclusion and help small businesses to thrive”

BAN KI-MOON, UNITED NATIONS SECRETARY-GENERAL

Building a more prosperous Mexico and a better world

When you travel through Mexico, you realise what a wonderful country it is, with its abundant natural resources, distinctive culture and diverse beliefs and ways of life. However, it quickly becomes apparent that thousands of people live in impoverished and marginalised conditions for lack of basic opportunities. Poverty is prevalent in both the remotest communities and in the most developed cities, and this means a lack of education, food, health, jobs and financial inclusion for many Mexicans.

The alternative we offer, as a cooperative association, has special significance today because our organisation can act as a role model to enterprise, demonstrating how businesses can be socially responsible in times of crisis that have been brought about by a clear lack of corporate principles and values.

It is the responsibility of all of us to tackle poverty to improve the living conditions of the poorest members of society and put an end to the vicious circles of exclusion that drive down living standards. Cooperatives represent a bona fide and genuine alternative that can help build a more prosperous Mexico and a better world. Indeed, our social enterprise model is backed by more than 160 years of success and experience worldwide.

Caja Popular Mexicana and the value of cooperation

Since its foundation in 1951, Caja Popular Mexicana has stuck to its major objective of ensuring the economic and social improvement of its members by encouraging them to save and to use credit responsibly, and through the promotion of



Members are provided with a range of services including financial education that enables them to manage their household finances

mutual aid, thereby distributing wealth, reducing borrowing, supporting productive work and creating jobs.

Our members, particularly women entrepreneurs, have received funding in excess of US\$540 million over the past five years. This has allowed them to improve their quality of life, as have the more than 200,000 children and teenagers who save through our network of 429 banking branches.

Credit union founders were right in proclaiming that the way to free people from poverty is savings, loans and education. In line with this philosophy, Caja Popular Mexicana also seeks to promote cooperative education – more than 160,000 of our members have actively engaged in business workshops, as a result of which they have gained invaluable education enabling them to manage their household finances, as well as receiving training on cooperative values.

In conclusion, I would like to share with you a comment made by United Nations Secretary-General Ban Ki-Moon that sums up the value of the cooperative movement: “Cooperatives are a unique and invaluable presence in today’s world. They enable social inclusion and help small businesses thrive.”

“Cooperatives have helped to develop the capabilities of people with lower incomes, including women who have been excluded over and over again from the potential to enjoy economic development and personal growth”

FELIPE CALDERÓN HINOJOSA, PRESIDENT OF MEXICO



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