



2nd g7⁺ Ministerial Retreat



Introduction

The g7+ has made striking headway since its inception in 2010 and since the last g7+ Ministerial Retreat, held in Juba, South Sudan in October 2011. Most notably, this includes achieving agreement to a **New Deal for Engagement in Fragile States** at the Fourth High Level Forum on Aid Effectiveness, held in Busan, South Korea in November 2011. This achievement was a key objective for the g7+ in 2011 and a primary focus at the Juba Ministerial Retreat.



Due to successful negotiations, the g7+ is now globally recognized and the overarching forum representing fragile and conflict-affected States.

“The g7+ group will continue as the country-owned and country-led global mechanism to monitor, report and draw attention to the unique challenges faced by fragile states.”¹

Between 2011 and 2012, the g7+ Secretariat, located in Timor-Leste, along with member country representatives, have lobbied, advocated and campaigned for systematic change in the way aid is allocated, delivered and managed with solid success in progress.

The increasingly active membership of the g7+ has meant that we have strengthened peer learning between fragile states. This has been facilitated by more meetings, video-conferences, phone calls and the publication of peer learning notes. Through this sharing of information, we are becoming increasingly aware of each other’s challenges and successes.

The impact of the g7+ is also being felt within our countries as awareness of our group and the New Deal spreads beyond just the aid coordination units of Ministries of Finance. Increasingly, our colleagues in natural resource ministries, foreign ministries and embassies globally are learning about and utilizing the language of the New Deal to push for more contextually relevant approaches to fragile states.

The g7+ Annual Report outlines progress in three dimensions as decided in Juba in 2011; Communications, Policy and Governance.

¹ The New Deal for Engagement in Fragile States

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Participants at the 1st g7+ Ministerial Retreat in Juba, South Sudan, 18th-19th October 2012



Communications (g7+ Group One)

Key Messages

1. Nothing about us, without us!²
2. There can be no peace without development, no development without peace.
3. Peacebuilding and Statebuilding are necessary foundations to meet the MDGs.
4. The New Deal which includes the **Peacebuilding and Statebuilding Goals, FOCUS**; a new way of engaging, and **TRUST** commitments, are interdependent and interconnected pillars for country-owned and country-led transitions toward resilience.
5. Not one of these pillars (PSGs, FOCUS or TRUST) should be used outside the New Deal for any other agenda than for country-owned and country-led transitions toward resilience as articulated in totality in the New Deal.
6. A stronger g7+ will make a stronger global partnership. This is the first time in history Fragile States have had an organized and united voice on the global stage.

Overview of Progress

- 1.1 A communications strategy was established with the recruitment of a communications expert to prepare the New Deal within the requirements requested by the g7+ members in Juba. Negotiations within the International Dialogue between INCAF and g7+ took place over a three-month period. FOCUS and TRUST were advocated as essential country owned and country-led elements that could not be excluded from the framework. All key g7+ positions were successfully integrated into the New Deal.
- 1.2 For the first time in history the g7+ had a Sherpa in the global negotiations feeding into the Busan Outcome Document. The New Deal is reflected in the Busan Outcome Document with language the g7+ presented and promoted.
- 1.3 The g7+ established a website, social media (facebook and twitter) and an advertising campaign including three articles in the internationally distributed magazine Foreign Policy. This allowed world leaders, major governments, NGOs, INGOs, think tanks, academics and embassies as well as the general public to be introduced to the g7+.
- 1.4 Branded items including badges, T-Shirts, g7+ pamphlets, briefing books, folders and g7+ key messages were created and designed for each event and mission including translations.
- 1.5 A g7+ technical meeting in January 2012 was held in Dili, Timor-Leste to prepare for the year ahead and discuss policy and position statements for upcoming events.

² Minister Kostis, South Sudan

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- 1.6 A trip to Washington with five g7+ delegates lobbied Foreign Policy CEO David Rothkopf against the Failed State Index, presenting the flawed methodology and the significant damage the Index was doing given the due diligence in statistical collection and comparative analysis was flawed.
- 1.7 A general socialization campaign began with all necessary stakeholders to introduce the g7+.
- 1.8 The Chair of the g7+ held bi-lateral meetings to introduce and promote the g7+ with the Secretary General of the United Nations, Ban Ki-Moon, the G77 (Algeria), the LDC (Nepal), Chair of Peacebuilding Commission (Bangladesh), the Non Aligned Movement (Egypt), and BRICS (Brazil) in addition to individuals including George Soros, Paul Tudor-Jones, and Tony Blair.

World Bank Engagement

- 1.9 The g7+ has made monumental efforts to engage with the World Bank in order to promote g7+ policy. The g7+ held successful meetings with the outgoing President of the World Bank, Robert Zoellick, on the sidelines of the Spring Meetings, held in April 2012. Meetings were also held with Vice Presidents including Sri Mulyani Indrawati. Eight g7+ Ministers were in attendance.



- 1.10 The g7+ met in Washington with a technical audience to deepen understanding of the g7+ concept of the Fragility Spectrum.

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- 1.11 In October 2012, g7+ Ministers of Finance also attended the World Bank and IMF's Annual Meetings in Tokyo. Nine Ministers met with new World Bank President, Dr. Jim Yong Kim, as well as a Managing Director and four Vice Presidents of the Bank, as well as the new CEO of the IFC. This was one of only 4-5 meetings granted by the President in Tokyo.



- 1.12 The g7+ Chair met with the IMF Deputy Managing Director and presented to the IDA Working Groups.
- 1.13 The g7+ also participated in a meeting of the working group of Bank staff and IDA donors planning the next IDA replenishment.

United Nations Engagement

- 1.14 Meetings were held with key stakeholders in New York in February 2012 and a subsequent follow up mission in July. The objective was to deepen the engagement of foreign ministers and UN ambassadors in supporting the New Deal as well as communicating with key voting blocs at the UN such as the g77 and LDC amongst other key groups.
- 1.15 2012 has been a year of socialization with many findings including the need to further define and refine the PSGs during the trial period. Words like "fragility" and concepts like Legitimate Politics, Security and Justice have been flagged by a number of UN member countries as areas of concern. These countries and their associated blocks within the UN hold principled positions on the respect of national sovereignty
- 1.16 Meetings were held with all the HQ UN Heads convened by Judy Cheng-Hopkins, Assistant Secretary General of the Peace Building Support Office.
- 1.17 Meetings were convened with the UNDP HQ to discuss New Deal Implementation at the country level.

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- 1.18 The g7+ worked tirelessly throughout the year towards holding a High-level Side Event on The New Deal: g7+ experiences and perspectives at UNGA. This event took place on 26th September and was a huge success, attracting an audience of over 400 people, including George Soros, Jeffrey Sachs, Judy Cheng-Hopkins (Assistant Secretary-General of the United Nations for Peace building Support), Caroline Anstey (World Bank Managing Director), EU Commissioner for Development Andris Piebalgs, and United States Under Secretary of State, as well as a range of ministers from g7+, G77 and other countries. Keynote presentations were delivered by two heads of state and four heads of government including:

President Susilo Bambang Yudhoyono of Indonesia
President Ellen Johnson Sirleaf of Liberia
Prime Minister Laurent Salvador Lamothe of Haiti
Prime Minister Kay Rala Xanana Gusmão of Timor-Leste
Prime Minister Julia Gillard MP of Australia
Prime Minister Gordon Darcy Lilo MP of Solomon Islands



Global Partnership Engagement

- 1.19 Since the Busan High-level Forum on Aid Effectiveness, which resulted in the Busan Partnership Agreement, up until June 2012, the g7+ has been participating in the Post-Busan Interim Group (PBIG) meetings in Paris. PBIG was tasked at Busan with setting the terms for the new 'Global Partnership', which will monitor the implementation of the Busan Partnership Agreement.
- 1.20 Through its consistent engagement with this process, the g7+ has been successful in ensuring that the Steering Committee of the Global Partnership, made up of 3 co-chairs and 15 members, will have at least one g7+ representative on it at all times. This will facilitate fragile states having a voice in the global aid architecture and its monitoring.

International Dialogue Engagement

- 1.21 The g7+ Secretariat and member states have also continued to work behind the scenes through the International Dialogue on Peacebuilding and Statebuilding, and the working groups it has established on Indicators, Political Strategy and Country Implementation, to achieve better outcomes for fragile states.
- 1.22 Five g7+ countries have embarked on New Deal trial phase of country implementation at the country level with fragility assessments conducted in 5 pilot countries; Democratic Republic of Congo, Liberia, Sierra Leone, South Sudan and Timor-Leste.
- 1.23 To facilitate this, two working groups have been established within the IDPS on indicators and country level implementation. Each working group is made up of fragile states and development partners, with two co-chairs representing each constituency.
- 1.24 The Indicators Working Group is chaired by Francesca Bomboko from the Democratic Republic of the Congo (on the g7+ side) and Henk-Jan Brinkman from the UN Peacebuilding Support Office (on the development partner side). To date they have only worked on indicators for the PSGs, not yet on measurements for FOCUS or TRUST. Timor-Leste has done an initial workshop on Trust commitments.
- 1.25 The Indicator Working Group has been focused on developing the methodology for conducting fragility assessments and developing potential indicators for the PSGs to bring to g7+ countries for consideration. It has also developed draft guidance on how to run fragility assessments in pilot countries. This draft guidance and the draft fragility spectrum template were used by the five pilot countries; Democratic Republic of the Congo, Liberia, Sierra Leone, South Sudan and Timor-Leste, that have undertaken an initial fragility assessment since July 2012.
- 1.26 The political realities of each country, as well as the resources available, meant that the fragility assessment methodologies employed were unique to that context under the trial phase. Importantly, these first efforts to implement this part of the New Deal have provided useful experiences to feed back to the Indicator Working Group, which will help to further refine the guidance and the spectrum template for more concrete data and guidance moving forward.

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- 1.27 The country-level Implementation Working Group is chaired by Habib Mayar from Afghanistan (on the g7+ side) and Ali Gilles from the Australian Agency for International Development (on the development partner side). The Country Implementation Working Group has produced draft communications tools for socialization of the New Deal at the country level and draft guidance material on New Deal implementation, including how to set up a task force, draft a compact and align PRSPs to the New Deal. This will provide valuable analysis for the trial period which will need significant input from the g7+ to consolidate to ensure it is applicable for the country context and most importantly implementable.



- 1.28 A third working group on Political Strategy has also been created to promote the New Deal and PSGs at the political level, especially in New York. This group is currently chaired by the co-chairs of the IDPS; the Danish Minister for Development Cooperation, Christian Friis Bach and Timor-Leste's Finance Minister, Emilia Pires.

IDPS efforts continue and a Steering Group meeting will take place in South Sudan on 17-18 December 2012.

- 1.29 After lobbying the international community, g7+ is now invited to observe the INCAF meetings.
- 1.30 In addition to international engagement with other organizations, the g7+ has also met regularly among itself since the Juba Ministerial Retreat, to consolidate positions and discuss future activity. A table below sets out the g7+ meetings that have been held in the past year:



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Some of the g7+ Events

Meeting	Dates	Location
g7+ Ministerial Retreat	October 2011	Juba, South Sudan
Fourth HLF on Aid Effectiveness	October/November 2011	Busan, Korea
g7+ Technical Meeting	January 2012	Dili, Timor-Leste
g7+ Indicators Meeting	February 2012	New York City, USA
IDPS Meeting with g7+ Meeting	March 2012	Copenhagen, Denmark
g7+ Meetings with World Bank & UN	April 2012	NY/Washington, USA
IDPS Steering Group with g7+ Lunch	June 2012	Nairobi, Kenya
g7+ High-level Side Event at UNGA	September 2012	New York City, USA
g7+ Meetings with World Bank	October 2012	Tokyo, Japan
g7+ Ministerial Retreat	November 2012	Port-au-Prince, Haiti

The g7+ expresses its appreciation for the support of ODI/DFID, the World Bank, the World Bank Institute, AusAID, the International Dialogue Secretariat, the UNDP, the UN, Permanent Representatives of g7+ member countries in New York, the Danish New York Mission, partners in New Deal Implementation, Civil Society Organizations, Independent Think Tanks and Research Organizations and all who have contributed to our efforts over this past year.

Policy (g7+ Group Two)



“Nothing about us without us”
H.E. Kosti Manibe, Minister of Finance
Republic of South Sudan

General Overview

- 2.1 g7+ policies have evolved from interactions with in the forum itself and through our communications and advocacy work. All policies are established by consensus. Policy messages of the g7+ have come directly from the experiences of g7+ countries themselves. The g7+ has continued to refine its policy messages through a number of platforms, including through the IDPS, the World Bank and the UN System. At each of these levels, policy has drawn upon the views of the g7+ membership through frequent meetings and videoconferencing with g7+ focal points.
- 2.2 Data and statistics are the cornerstone of good policy in peacebuilding and statebuilding and necessary to refine in-country policy and engagement by development partners. To date, data and statistics in fragile states have generally been of poor quality. Updated statistics and real-time information is necessary to navigate the peacebuilding and statebuilding process and so an important area for development partner investment. This is also important for Fragile State Principle number 2 “Do No Harm”³ as international reporting is often outdated and not reflective of the current and real-time efforts and progress being made in country.
- 2.3 Harmonization and alignment as articulated in the Paris Declaration, the Accra Agenda for Action and the Principles for Engagement in Fragile States and Situations continue to be important principles for development partners to adhere to and fragile states to promote to enhance country-owned and country-led transitions toward resilience.

Policy: The New Deal

- 2.4 “Nothing about us, without us”. **“The g7+ group will continue as the country-owned and country-led global mechanism to monitor, report and draw attention to the unique challenges faced by fragile states.”**⁴ This means, the g7+ Secretariat should aim to house all the documents and reports being written by all peak bodies and organizations to avoid fragmentation.
- 2.5 The New Deal is in a trial phase and for success broad political buy in from the g7+ countries will be necessary. This “buy in” will need to include the people, civil society, institutions of the State, government bodies and political leaders. Support from the wider international community is also needed, including the G77, the LDC and various blocs. This process will take time and a period of socialization for long-term success. To lobby successfully the g7+ must advocate for their own unique needs and priorities.

³ Principles for Good Engagement in Fragile States and Situations [April 2007]

⁴ New Deal for Engagement in Fragile States

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- 2.6 The PSGs, FOCUS and TRUST are equal interdependent and interconnected parts; the PSGs cannot be isolated from FOCUS, the new way of engaging or TRUST the commitments.
- 2.7 Indicators should be developed for FOCUS and TRUST, just as they are being developed for the PSGs, and integrated into the work of indicators development.
- 2.8 The New Deal is in a trial period. This is important to remember and is reflected in our policy to give this process time and make efforts to ensure it is fully implementable. We as a community need to ensure we have our own case studies (like the Fragility Assessments), analytical and statistical data and political support to ensure the policy by 2015 is indeed broadly supported, implementable and country-owned.
- 2.9 The New Deal is a country-owned and country-led initiative and no part should be used to promote any other agenda than that for which it was designed: accelerating country owned and country-led transitions from fragility to resilience.



- 2.10 The g7+ should have representatives attend all major forums and gatherings promoting the key policies and messages of the g7+ and representatives are encouraged to write their own key findings and submit these to the Secretariat.
- 2.11 All decisions are made by consensus, both technical and political of the g7+ group as a whole.

Policy: World Bank, IDA and the IMF

- 2.12 Over the past year, the g7+ has stepped up its engagement with the World Bank, the IMF, and the Nairobi Hub. Challenges g7+ countries face should be funneled through the g7+ Secretariat to be broadened into the policy discussion with external institutions.
- 2.13 The World Bank has also contributed to g7+ work by providing a technical expert on indicators, Betty Maina, to work with the g7+ on developing the fragility spectrum and indicators. Working with partners to support our outcomes is an important part of the g7+ policy.
- 2.14 Regarding the Banks operational processes in fragile states, the g7+ promotes the need for more experienced staff to be posted in fragile and conflict-affected states, and for greater flexibility and risk-taking to be introduced into Bank systems in fragile contexts.

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- 2.15 At the meeting in Washington in April 2012 with World Bank President Zoellick, the g7+ also asked for the inclusion of fragile states voices in key fora including the Bank's International Development Association (IDA). This effort of g7+ lobbying was successful and we are now involved.
- 2.16 The g7+ is now engaging with the IDA16 Mid-term review and the IDA 17 negotiations in allocating funds and reforming the distribution framework which currently favors States that are less fragile and arguably less in need of support.
- 2.17 The IDA17 replenishment round will be negotiated over 2013 by IDA Deputies representing the main IDA donor governments and selected IDA recipients. Sierra Leone is the g7+ country participating in these negotiations. The g7+ policies will be promoted through this forum.
- 2.18 During meetings with the new World Bank President, Dr. Jim Yong Kim, at the World Bank and IMF annual meetings in Tokyo in October 2012, the g7+ communicated the continuing importance to promote the fragile states agenda, the need for enhanced effectiveness in the Bank's engagement in fragile situations, and the need to at least maintain high levels of resource flows from the next IDA cycle and for IFC and MIGA support for private investment.
- 2.19 The World Bank President promised regular meetings with the g7+ and new efforts to coordinate with the UN and IMF in fragile contexts. This will promote alignment and harmonization to the one vision, one plan for better results oriented outcomes.



Policy: United Nations

- 2.20 Harmonization is needed in and between UN agencies in country for more effective results.
- 2.21 Yearly meetings in New York are important with the Heads of agencies and the g7+ to discuss the priorities, needs and reforms within the fragile states agenda.
- 2.22 UN country mission engagement and coordination are important to align the aid effectiveness agenda with that of foreign ministries and the UN Permanent Representatives. This has been successful as the g7+ Permanent Representatives have become active this year and will need to continue in order to promote the g7+ agenda.
- 2.23 Accurate Data collection in-country to UN HQ is a priority for real-time, up to date and reflective information on the current situation in-country; especially important for evidence based data of in-country conditions.

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2.24 Minister Emilia Pires has been appointed on the United Nations Secretary General Ban Ki Moon's High-level Panel of Eminent Persons for the Post 2015 Development Agenda. She is promoting the g7+ policies and agenda and will continue to articulate the g7+ positions and policies.

UN High-level Panel for the Post-2015 Development Agenda



Governance (g7+ Group Three)

- 3.1 The mandate of the g7+ Secretariat is to work on behalf of all g7+ member countries. The Secretariat takes requests from member countries and acts as necessary to assist.
- 3.2 The g7+ Secretariat has been located in Timor-Leste since 2010 with support from the New York mission. The current Chair of the g7+ is Minister of Finance H.E. Emilia Pires, also the co-chair of the International Dialogue.
- 3.3 The g7+ Secretariat has been based in the Ministry of Finance, and is headed by Dr. Helder da Costa. The Secretariat is made up of a small team of nationals funded by the Government of Timor-Leste, international advisors and representatives from member States who convene as necessary to assist in large projects like the UN side event.
- 3.4 The Secretariat has included g7+ members by ensuring a minimum of three member state representatives are invited to attend international meetings and forums on a rotating basis and consensus is reached through ongoing teleconferences, video conferences and annual technical meetings as well as annual Ministerial meetings funded by the Secretariat through the Timor-Leste Government as agreed by National Parliament of Timor-Leste.
- 3.5 As the g7+ has increased its visibility and legitimacy as the global platform for fragile states, demand for g7+ participation at international events has duly increased. To address this demand, and to reinforce the legitimacy of the g7+ as a broad based grouping, it was decided at the g7+ technical meeting in Dili, Timor-Leste in January 2012 that a 'quintet' be established. The quintet is made up of five countries (Afghanistan, Democratic Republic of the Congo, Liberia, South Sudan and Timor-Leste). However, at various times, alternatives are appointed as required by availability.
- 3.6 There are three working groups on Policy, Communications and Governance structure, initially proposed at a g7+ technical meeting in Dili, Timor-Leste in August 2011 and later endorsed by the Ministerial Retreat in Juba, South Sudan in October 2011. These working groups have had the support of the Secretariat to ensure the workload is achievable within their current job duties.
- 3.7 Given global demand, the g7+ Secretariat needs to expand, for example through the secondment of individuals from g7+ countries to the Secretariat.
- 3.8 Thus far g7+ activities have primarily been funded in three ways, meeting on the side of major events and forums which member states would attend anyway, through the International Dialogue on Peacebuilding and Statebuilding, and through financing by the Government of Timor-Leste.
- 3.9 Timor-Leste funds g7+ activity including flights for g7+ members, per diems for g7+ members, meetings for g7+, meeting preparations, and other g7+ associated costs including collaterals for meetings. Total cost to date has been 1.7 million. (As presented to the International Dialogue in Nairobi in June 2012)
- 3.10 The total spend to date is estimated to be \$4.14 million (excluding activities funded through the International Dialogue)

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- 3.11 The Government of Timor-Leste is the largest contributor, and is estimated to have invested \$1.7 Million between 2010 and 2012. DFID (through ODI) have spent a further \$1 Million, and Ausaid and the World Bank around \$680,000 each. South Sudan donated \$75,000 in Juba.
- 3.12 The major cost drivers have been events (flights and expenses) at around \$1.2 Million, secretariat staffing (\$1.2 Million) and Research and TA (\$1.16m).
- 3.13 Running costs in 2013 are estimated at \$2.6 million
- 3.14 It is important to discuss funding options going forward, in order to keep the g7+ an independent organization, able to respond effectively to the demands placed upon it.



Closing

2011/2012 has been a hugely successful year due to the unified approach and solidarity amongst members. The Key performance indicators set in Juba have been met, mainly in achieving a New Deal which was reflective of the g7+ needs and priorities.

The key performance indicators for 2013 could be:

1. To further consolidate the g7+ by expanding partnerships with the private sector, a g7+ private sector conference is recommended
2. To further consolidate and strengthen the g7+ Secretariat and the g7+ as a forum by lobbying various UN blocs (by example the BRICS) and ensure g7+ is represented at global forums, a key performance indicator would be representation and input at as many global meetings as possible for 2013
3. To consolidate the New Deal by ensuring the indicators set on priority needs defined in the PSGs, FOCUS and TRUST are established. These should go Back to the Basics, be achievable and applicable to the local and global context and driven by the g7+ for the g7+. A Ministerial group should be established in Haiti to oversee the process within the ID to expand political consensus
4. By the years end the g7+ Secretariat reports on the first year of the New Deal trial period with country focal points and distributed at the 2013 Ministerial Retreat and to partners.
5. Independent Funding should be bolstered with adequate funds to cover g7+ activities for 2013.

As we attend the 2nd g7+ Ministerial Retreat in Haiti, we can be proud of what we have achieved in this last year. With the strong resolve of our fellow g7+ members and a shared spirit of determination we press on with the work ahead of us in 2013 as a united voice in our mission to build resilient states and serve the needs of our Peoples.

