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International Organizations Research Institute*

The
G20 Research Group
at the Munk School of Global Affairs at Trinity College in the University of Toronto
and the

G8 Research Centre
of the University Higher School of Economics

present the

2010 G20 Toronto Summit Final Compliance Report

28 June 2010 to 29 October 2010

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Executive Summary

The G20 Research Group at the Munk School of Global Affairs at Trinity College in the University of Toronto presents its fourth G20 Compliance Report in collaboration in collaboration with the G8 Research Centre at the State University Higher School of Economics. The report analyses the efforts made by the G20 members to comply with the commitments made at the Toronto Summit on 26-27 June 2010, within the period from 28 June 2010 to 31 October 2010.

This study uses a comprehensive methodology of monitoring and assessing the G20 members' compliance performance with the commitments made at the summits. It is based on the method used for assessing G8 compliance designed and employed since 1996 by the G8 Research Group at the Munk School of Global Affairs at Trinity College in the University of Toronto.¹

Individual scores of G20 members are assigned on a scale from -1 to +1, where +1 indicates full compliance with the stated commitment, -1 indicates a failure to comply or action taken that is directly opposite to the stated goal of the commitment, and 0 indicates partial compliance, a work in progress or initiatives that have been launched by a government but are not yet near completion so that results can not yet be assessed.

Thus every G20 member receives a score of -1, 0 or +1 for each commitment. These individual commitment scores are summarized and divided by the number of commitments to get a country average compliance score (in points).

Eight commitments from the G20 Toronto Summit declaration were selected to be monitored.² The selection criteria were similar to those used for monitoring G8 compliance. The selection should be balanced and represent the summit priorities, be important for the G20 and the world, be comprehensive and cover most of the summit domains and decision areas, and represent both individual and collective pledges. The selected commitments should also meet secondary criteria relating to performance measurability, ability to comply within the monitoring period and the feasibility of establishing interpretative guidelines. The commitments chosen cover the most important issues discussed in the document: macroeconomic policy (two commitments), reform of international financial institutions (IFIs), development finance, reform of financial markets infrastructure, food and agriculture (L'Aquila Food Security Initiative), trade (anti-protectionist pledge), corruption (United Nations Convention against Corruption) and energy (fossil fuel subsidies).³

Main Findings

The average compliance of the G20 members with their Toronto Summit commitments is assessed at a score of 0.28 (see Table 1). This score on the scientific scale of -1.00 to +1.00 represents 64% on the more familiar scale based on 0 to 100. The G20's Toronto

¹ The full methodology can be found on the G8 Information Centre at www.g8.utoronto.ca/evaluations.

² The Toronto Summit Declaration is available at www.g20.utoronto.ca/2010/to-communicue.html.

³ The list of selected commitments can be found in Annex I.

performance exceeded the average of both the September 2009 Pittsburgh Summit at 0.24 (62%) and the April 2009 London Summit at 0.23 (62%) (see Table 2).

Canada, which was the chair of both the 2010 G8 summit and the Toronto Summit, registered the highest compliance score of +0.78. The United Kingdom registered the same score, while the European Union followed in third place at +0.57. Australia, France, Germany, Italy, Japan and Korea tied in fourth place with a score of +0.56, and China came in fifth with a compliance of +0.38. Mexico, South Africa and Turkey tied with the second lowest score of -0.14, with India achieving the lowest compliance at -0.29. The G8 members achieved a cumulative score of +0.53. The non-G8 members registered compliance of +0.11.

With respect to issue areas, the highest performance at +0.9 was registered on IFI reform. Next followed the macroeconomic policy commitments, with the advanced economies scoring a compliance of +0.67 on halving deficits by 2013 and stabilizing or reducing the ratio of government debt to gross domestic product (GDP) by 2016. Advanced deficit economies achieved a score of +0.83 and surplus economies scored +0.63 on their respective commitments (see Table 3). This shows a slight increase from Pittsburgh's +0.7, well above London's +0.35 (see Figure 1). Issue-specific compliance scores for the previous summits are provided in Table 4.

With regard to the macroeconomic commitment, the Toronto Declaration does not ask for the compliance of emerging deficit countries. However, since several G20 emerging economies have deficit current accounts (Brazil, India, Mexico, South Africa, and Turkey), their compliance has been assessed using the scoring for advanced deficit countries and included in Annex II. Likewise, a report on the EU's compliance with the macroeconomic commitments is included in Annex III.

The issue of corruption scored the lowest compliance with a score of -0.20, as no G20 member implemented all the principles of the United Nations Convention against Corruption (UNCAC). The issue of energy scored second lowest at +0.05.

Table 1. G20 Toronto Summit Compliance Scores

	Macro-economic policy	Macroeconomic policy		IFI reform	Development	Finance	Food and agriculture	Trade	Corruption	Energy	Average
		Deficit countries	Surplus countries								
Argentina			1	0	0	0	0	-1	0	0	0.00
Australia	1	1		1	0	0	0	1	0	1	0.56
Brazil				1	0	0	1	-1	0	1	0.29
Canada	1	1		1	1	1	1	1	0	0	0.78
China			1	1	0	0	0	1	0	0	0.38
France	0	1		1	1	0	0	1	0	1	0.56
Germany	1		0	1	1	1	0	1	-1	1	0.56
India				1	0	0	0	-1	-1	-1	-0.29
Indonesia			0	1	-1	-1	0	0	0	0	-0.13
Italy	0	1		1	0	1	0	1	0	1	0.56
Japan	1		1	1	1	0	0	1	-1	1	0.56
Korea	1		1	1	0	0	0	1	0	1	0.56
Mexico				1	-1	-1	0	-1	0	1	-0.14
Russia			1	1	0	0	0	-1	0	0	0.13
S. Arabia			0	0	-1	-1	0	1	-1	1	-0.13
S. Africa				1	-1	-1	0	-1	0	1	-0.14
Turkey				1	0	0	-1	-1	0	0	-0.14
UK	1	1		1	1	+1	0	1	0	1	0.78
U.S.	0	0		1	1	1	1	-1	0	0	0.33
EU				1	1	1	1	1	0	-1	0.57
Average	0.67	0.83	0.63	0.90	0.15	0.10	0.15	0.15	-0.20	0.05	0.28

Table 2. G20 Compliance by Country, 2008–2010

	Washington	London	Pittsburgh	Toronto
Argentina	0	-0.60	-0.13	0.00
Australia	n/a	0.60	0.50	0.56
Brazil	1.0	0.20	-0.63	0.29
Canada	1	0.60	0.63	0.78
China	0	-0.40	0.13	0.38
France	1	0.80	0.63	0.56
Germany	1	0.80	0.63	0.56
India	0	-0.40	-0.38	-0.29
Indonesia	n/a	-0.40	-0.63	-0.13
Italy	1	0	0.13	0.56
Japan	1	0.20	0.50	0.56
Korea	n/a	0	0.75	0.56
Mexico	1	0	0.25	-0.14
Russia	0	0.40	0.38	0.13
Saudi Arabia	n/a	0.20	-0.13	-0.13
South Africa	1	0.40	0.63	-0.14
Turkey	n/a	0.20	-0.25	-0.14
United Kingdom	1	1	0.5	0.78
United States	0	0.4	1	0.33
European Union	1	0.6	0.38	0.57
G20 average	0.67	0.23	0.24	0.28

Table 3. Toronto G20 Compliance on Macroeconomic Policy

Deficit economies	0.45	Surplus economies	0.63
Advanced deficit economies	0.83	Advanced surplus economies	0.67
Australia	1	Germany	0
France	1	Japan	1
Italy	1	Korea	1
United Kingdom	1		
United States	0		
Canada	1		
Emerging deficit economies	0	Emerging surplus economies	0.6
Brazil	1	Argentina	1
India	-1	China	1
Mexico	0	Indonesia	0
South Africa	-1	Russia	1
Turkey	1	Saudi Arabia	0
European Union	1		1
G20 average ^a			0.71
G20 average counted by all members			0.55

^a The G20 average is calculated using the scores of those surplus and advanced deficit economies that made the respective commitments.

Table 4. G20 Compliance by Issue, 2008-10

	Macroeconomic policy			IFI reform		Development						
						London			Pittsburgh			Toronto
	London	Pittsburgh	Toronto	Pittsburgh	Toronto	Cmt #1	Cmt #2	Ave.	Cmt #1	Cmt #2	Ave.	
Argentina	0	1	1	-1	0	-1	-1	-1	-1	-1	-1	0
Australia	1	0	1	0	1	1	0	0.5	1	0	0.5	0
Brazil	0	0	1	-1	1	1	0	0.5	-1	-1	-1	0
Canada	1	1	1	1	1	1	0	0.5	0	1	0.5	1
China	0	1	1	-1	1	-1	0	-0.5	0	0	0	0
France	0	1	1	1	1	1	1	1	0	0	0	1
Germany	1	1	0	1	1	1	1	1	1	0	0.5	1
India	-1	1	-1	-1	1	0	-1	-0.5	-1	-1	-1	0
Indonesia	0	0	0	-1	1	0	-1	-0.5	-1	-1	-1	-1
Italy	0	0	+1	0	1	0	0	0	-1	0	-0.5	0
Japan	0	1	1	1	1	1	0	0.5	0	1	0.5	1
Korea	0	1	1	1	1	0	-1	-0.5	0	0	0	0
Mexico	0	1	0	-1	1	0	0	0	0	0	0	-1
Russia	1	1	1	0	1	1	0	0.5	0	0	0	0
Saudi Arabia	1	1	0	0	0	0	0	0	0	0	0	-1
South Africa	1	1	-1	1	1	-1	0	-0.5	1	0	0.5	-1
Turkey	1	1	1	-1	1	-1	0	-0.5	-1	-1	-1	0
United Kingdom	1	1	+1	1	1	1	1	1	1	1	1	1
United States	0	0	0	1	1	1	0	0.5	1	0	0.5	1
European Union	0	0	1	0	1	1	1	1	0	1	0.5	1
Average	0.35	0.70	0.55	0.05	0.90	0.30	0	0.15	-0.05	-0.05	-0.05	0.15

G20 Compliance by Issue, 2008-2010, 2008-2010 (cont.)

	Finance			Washington	Trade			Corruption	
	London	Pittsburgh	Toronto		London	Pittsburgh	Toronto	Pittsburgh	Toronto
Argentina	-1	0	0	0	0	0	-1	0	0
Australia	0	1	0	n/a	1	0	1	1	0
Brazil	-1	-1	0	1	1	-1	-1	0	0
Canada	0	0	1	1	1	0	1	1	0
China	-1	0	0	0	0	0	1	0	0
France	1	1	0	1	1	0	1	1	0
Germany	0	1	1	1	1	0	1	0	-1
India	0	-1	0	0	0	0	-1	-1	-1
Indonesia	0	-1	-1	n/a	-1	-1	0	0	0
Italy	-1	0	1	1	1	1	1	0	0
Japan	0	1	0	1	0	-1	1	0	-1
Korea	0	1	0	n/a	1	1	1	1	0
Mexico	0	0	-1	1	0	0	-1	1	0
Russia	0	1	0	0	0	-1	-1	1	0
Saudi Arabia	0	-1	-1	n/a	0	0	1	-1	-1
South Africa	1	0	-1	1	1	1	-1	1	0
Turkey	0	-1	0	n/a	1	1	-1	-1	0
United Kingdom	1	1	+1	1	1	1	1	1	0
United States	1	0	1	0	0	0	-1	1	0
European Union	0	1	1	1	1	1	1	0	0
G20 average	0	0.15	0.10	0.67	0.50	0.10	0.15	0.30	-0.20

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1. Macroeconomic Policy: Advanced Economies [6]

Commitment

“Advanced economies have committed to fiscal plans that will at least halve deficits by 2013 and stabilize or reduce government debt-to-GDP ratios by 2016.”

G20 Toronto Summit Declaration

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Australia			+1
Canada			+1
France		0	
Germany			+1
Italy		0	
Japan			+1
Korea			+1
United Kingdom			+1
United States		0	
Average Score			+0.67

Background

Since the G20 Finance Ministers and Central Bank Governors’ Meeting in Washington in April 2010, the G20 leaders, finance ministers, and central bank governors’ have underscored the importance of sustainable public finance. Under the G20 Framework for Strong, Sustainable, and Balanced Growth, it was agreed that sustainable growth should be based on sustainable public finance.⁴ Additionally, the leaders have emphasized the importance for countries to pursue coordinated economic policies that are consistent with sound public finance and are tailored to individual country circumstances, in order to ensure global economic recovery and transition to strong, sustainable and balanced growth.⁵

During the G20 Finance Ministers and Central Bank Governors’ Meeting in Busan, Republic of Korea in June 2010, the participants solidified their commitment to fiscal consolidation, and acknowledged the need for sustainable public finance and the delivery of “fiscal sustainability, differentiated for and tailored to national circumstances.⁶ The leaders stated that “countries with serious fiscal challenges need to accelerate the pace of

⁴ G20 Finance Ministers and Central Bank Governors’ Communiqué, G20 Finance Ministers and Central Bank Governors’ Meeting (Washington) 23 April 2010. Date of Access: 14 October 2010. www.g20.utoronto.ca/2010/g20finance100605.html

⁵ G20 Finance Ministers and Central Bank Governors’ Communiqué, G20 Finance Ministers and Central Bank Governors’ Meeting (Washington) 23 April 2010. Date of Access: 14 October 2010. www.g20.utoronto.ca/2010/g20finance100605.html

⁶ G20 Finance Ministers and Central Bank Governors’ Communiqué, G20 Finance Ministers and Central Bank Governors’ Meeting (Busan) 5 June 2010. Date of Access: 14 October 2010. www.g20.utoronto.ca/2010/g20finance100605.html

consolidation,”⁷ and they welcomed the efforts made by those who had recently announced their plans to reduce country deficits in 2010 and strengthen their fiscal frameworks.

At the Toronto G20 Summit, the leaders of the advanced economies committed to reduce their budget deficits by 2013 and to stabilize or reduce debt-to-GDP ratios by 2016. In the Toronto Communiqué, the leaders affirmed that “Sound fiscal finances are essential to sustain recovery, provide flexibility to respond to new shocks, ensure the capacity to meet the challenges of aging populations, and avoid leaving future generations with a legacy of deficits and debt.”⁸ The leaders established that fiscal plans had to be “credible, clearly communicated, differentiated to national circumstances, and focused on measures to foster economic growth.” In addition, the leaders have also warned that “failure to implement consolidation where necessary would undermine confidence and hamper growth.”⁹

At the time of the Toronto Summit, Australia and the Korea ran closely balanced budgets. The G20 leaders welcomed Japan’s fiscal consolidation plans under its growth strategy.

Commitment Features

The commitment is composed of two features. First, advanced economy members have committed to at least half budget deficits by 2013. Second, advanced economy members have committed to stabilize or reduce debt-to-GDP ratio by 2016. In order to register full compliance, advanced economies must announce or have already announced comprehensive fiscal plans that outline their actions towards halving budget deficit by 2013 and stabilizing or reducing debt-to-GDP ratio by 2016.

As defined by the IMF country composition guide, advanced economies are: Australia, Canada, France, Germany, Italy, Japan, Korea, the United Kingdom, and the United States.¹⁰ The compliance of only these G20 members will be tracked.

Given that the G20 first emphasized the importance of fiscal prudence in April 2010, members may have announced fiscal consolidation strategies that early still register as fully compliant.

⁷ G20 Finance Ministers and Central Bank Governors’ Communiqué, G20 Finance Ministers and Central Bank Governors’ Meeting (Busan) 5 June 2010. Date of Access: 14 October 2010. www.g20.utoronto.ca/2010/g20finance100605.html

⁸ The G-20 Toronto Summit Declaration, G20 Toronto Summit (Toronto) 27 June 2010. Date of Access: 17 October 2010. g20.org/Documents/g20_declaration_en.pdf

⁹ The G-20 Toronto Summit Declaration, G20 Toronto Summit (Toronto) 27 June 2010. Date of Access: 17 October 2010. g20.org/Documents/g20_declaration_en.pdf

¹⁰ Country Composition of WEO Groups, International Monetary Fund (Washington) 2009. Date of Access: 17 October 2010. www.imf.org/external/pubs/ft/weo/2009/02/weodata/groups.htm#ae

Scoring Guidelines

-1	G20 member has not committed to comprehensive fiscal plan(s) that will at least halve deficits by 2013 and will stabilize or reduce government debt-to-GDP ratios by 2016.
0	G20 member has committed to comprehensive fiscal plan(s) that will halve deficits by 2013 OR will stabilize or reduce government debt-to-GDP ratios by 2016.
+1	The member has committed to comprehensive fiscal plan(s) that will at least halve deficits by 2013 AND will stabilize or reduce government debt-to-GDP ratios by 2016.

Australia: +1

Australia has fully complied with its commitment to devise fiscal plans that will at least halve deficits by 2013 and stabilize or reduce government debt-to-GDP ratios by 2016.

Australia entered the Toronto Summit with almost no net government debt and in strong fiscal shape overall.¹¹ Following its economic recovery, Australia is expected to return the budget to surplus by 2012/13.¹² According to the IMF Fiscal Monitor, as the Australian economy recovers, the budget will return to surplus by allowing improvements in expected tax receipts to flow to the budget bottom line; and when the economy is expected to grow at above-trend rates, restraining real growth in spending to 2 per cent a year until the budget returns to surplus.¹³

Based on comprehensive actions outlined in the 2010/11 National Budget, Australia expects to reap savings of more than AUD30 billion by 2014, starting immediately in 2010.¹⁴ Given these savings, low debt level and the imminent return to surplus, the Australian government has complied with both areas of commitment 6, in both reducing their budget deficit and their debt to GDP ratios.¹⁵

Thus, given the detailed fiscal plan that the Australian government has committed to in their 2010 — 2011 budget to halve their budget deficit by 2013 and to reduce government debt to GDP ratios by 2016, Australia has been awarded at score of +1, for full compliance.

Analyst: Faiyyad Hosein

¹¹ A G20 Summit Primer, BMO Capital Markets (Toronto) 23 June 2010. Date of Access: 17 October 2010 www.bmonesbittburns.com/economics/reports/20100623/sr100623.pdf

¹² A G20 Summit Primer, BMO Capital Markets (Toronto) 23 June 2010. Date of Access: 17 October 2010 www.bmonesbittburns.com/economics/reports/20100623/sr100623.pdf

¹³ IMF Fiscal Monitor, International Monetary Fund (Washington) 14 May 2010. Date of Access: 17 October 2010. www.imf.org/external/pubs/ft/fm/2010/fm1001.pdf

¹⁴ Appendix F: Major Savings in the 2010 – 2011 budget, Australian Government (Sydney) July 2010. Date of Access: 17 October 2010.

www.budget.gov.au/2010-11/content/overview/html/overview_36.htm

¹⁵ Appendix F: Major Savings in the 2010 – 2011 budget, Australian Government (Sydney) July 2010. Date of Access: 17 October 2010.

www.budget.gov.au/2010-11/content/overview/html/overview_36.htm

Canada: +1

Canada has fully complied with its commitment to devise fiscal plans that will at least halve deficits by 2013 and stabilize or reduce government debt-to-GDP ratios by 2016.

Canada entered the Toronto Summit with a federal deficit of about 3 per cent of GDP and the combined provincial deficit of around 2 per cent of GDP.¹⁶

On the 4 March 2010 Finance Minister James Flaherty released the 2010 National Budget also known as Year 2 of its Economic Action Plan.¹⁷ The 2010 Budget charts a course to bring Canada's finances back to balance over the medium term.¹⁸ The budget aims to wind down previous stimulus measures, restrain spending through targeted measures, create CAD17.6 billion in savings over five years, and the government plans to take a comprehensive review of government administrative functions and overhead costs to improve savings.¹⁹

These three measures are expected to reduce the budget deficit by almost half in the next two years to CAD27.6 billion in 2011-2012 and by two-thirds to CAD17.5 billion in 2012-13. In 2014-15, the deficit is projected to be CAD1.8 billion.²⁰ This plan will also work to stabilize and reduce government debt to GDP ratios by 2016. According to the IMF Fiscal Monitor, Canada is expected to become stable at around 30 per cent of net debt to GDP in the medium term to 2015.²¹

Thus, given the detailed fiscal plan that Government of Canada has committed to in their 2010 National Budget to cut their budget deficit and reduce government debt to GDP ratios, Canada is awarded at score of +1, for full compliance.

Analyst: Faiyyad Hosein

France: 0

France has partially complied with its commitment to devise fiscal plans that will at least halve deficits by 2013 and stabilize or reduce government debt-to-GDP ratios by 2016.

France entered the Toronto Summit with a budget deficit of 8 per cent of GDP.²² According to the IMF Fiscal Monitor, the medium-term fiscal plan of France according to their federal budget is to reduce the deficit to 3 per cent of GDP by 2013 through a mix of

¹⁶A G20 Summit Primer, BMO Capital Markets (Toronto) 23 June 2010. Date of Access: 17 October 2010 www.bmonesbittburns.com/economics/reports/20100623/sr100623.pdf

¹⁷Budget in Brief, Department of Finance Canada (Ottawa) 4 March 2010. Date of Access: 17 October 2010. www.budget.gc.ca/2010/glance-apercu/brief-bref-eng.html

¹⁸Budget in Brief, Department of Finance Canada (Ottawa) 4 March 2010. Date of Access: 17 October 2010. www.budget.gc.ca/2010/glance-apercu/brief-bref-eng.html

¹⁹Budget in Brief, Department of Finance Canada (Ottawa) 4 March 2010. Date of Access: 17 October 2010. www.budget.gc.ca/2010/glance-apercu/brief-bref-eng.html

²⁰Budget in Brief, Department of Finance Canada (Ottawa) 4 March 2010. Date of Access: 17 October 2010. www.budget.gc.ca/2010/glance-apercu/brief-bref-eng.html

²¹IMF Fiscal Monitor, International Monetary Fund – 14 May 2010. Date of Access: 17 October 2010. www.imf.org/external/pubs/ft/fm/2010/fm1001.pdf

²²A G20 Summit Primer, BMO Capital Markets (Toronto) 23 June 2010. Date of Access: 17 October 2010 www.bmonesbittburns.com/economics/reports/20100623/sr100623.pdf

revenue and expenditure measures as well as structural reforms.²³ Revenue measures include an increase in taxes included in the social security budget, the reversal of the 0.6 per cent of GDP revenue loss in 2010 due to the abolishment of the local business tax and the introduction of new green taxes.²⁴ Expenditure measures envisage limiting real public expenditure growth at the general government level to 0.9 per cent per year between 2010 and 2012.²⁵

Under the new Budget, France's government forecasts a deficit of 7.7 per cent of GDP in 2010, 6 per cent in 2011, and hopes to hit 3 per cent by 2013.²⁶ Cuts in expenditure will come from the following areas, France's retirement age will be pushed to 62 from 60, allowing more than 30,000 civil service staff retire without replacing them, replace of only 50 per cent of existing bureaucrats and tax breaks worth 10 billion Euros will be withdrawn, but no new taxes will be implemented.²⁷ This shows France's commitment to a comprehensive plan to halve their budget deficit.

Under the European Union, France is subject to the Stability and Growth Pact requirements, which encourages members to maintain public deficits below 3 per cent of GDP and public debt at less than 60 per cent of GDP.²⁸ In the 2011 stability program, French authorities plan to completely withdraw the recovery package and the local business tax will be phased out.²⁹

According to the IMF Fiscal Monitor, France's net government debt to GDP is expected to rise from 74.5 per cent in 2010 to 85.1 per cent in 2015.³⁰ The European Commission services' 2010 spring forecast projects the ratio to stand at 88.6 per cent in 2011.³¹

²³ IMF Fiscal Monitor, International Monetary Fund (Washington) May 14 2010. Date of Access: 17 October 2010. www.imf.org/external/pubs/ft/fm/2010/fm1001.pdf

²⁴ IMF Fiscal Monitor, International Monetary Fund (Washington) May 14 2010. Date of Access: 17 October 2010. www.imf.org/external/pubs/ft/fm/2010/fm1001.pdf

²⁵ IMF Fiscal Monitor, International Monetary Fund (Washington) May 14 2010. Date of Access: 17 October 2010. www.imf.org/external/pubs/ft/fm/2010/fm1001.pdf

²⁶ French Budget Aims to Cut Deficit, BBC News (London) 29 September 2010. Date of Access: 29 October 2010. www.bbc.co.uk/news/business-11434531

²⁷ French Budget Aims to Cut Deficit, BBC News (London) 29 September 2010. Date of Access: 29 October 2010. www.bbc.co.uk/news/business-11434531

²⁸ Communication from the Commission to the Council, European Commission (Brussels) 15 June 2010. Date of Access: 28 October 2010.

ec.europa.eu/economy_finance/sgp/pdf/30_edps/communication_to_the_council/2010-06-15_be_cz_de_ie_es_fr_it_nl_at_pt_si_sk_communication_on_action_taken_en.pdf

²⁹ Communication from the Commission to the Council, European Commission (Brussels) 15 June 2010. Date of Access: 28 October 2010.

ec.europa.eu/economy_finance/sgp/pdf/30_edps/communication_to_the_council/2010-06-15_be_cz_de_ie_es_fr_it_nl_at_pt_si_sk_communication_on_action_taken_en.pdf

³⁰ IMF Fiscal Monitor, International Monetary Fund (Washington) May 14 2010. Date of Access: 17 October 2010. www.imf.org/external/pubs/ft/fm/2010/fm1001.pdf

³¹ Communication from the Commission to the Council, European Commission (Brussels) 15 June 2010. Date of Access: 28 October 2010.

ec.europa.eu/economy_finance/sgp/pdf/30_edps/communication_to_the_council/2010-06-15_be_cz_de_ie_es_fr_it_nl_at_pt_si_sk_communication_on_action_taken_en.pdf

Regarding the debt-to-GDP ratio, the latest update of the stability programme anticipates that it would reach the level of about 87% in 2013, up from an anticipated 77.4% in 2009. In view of the substantial risks to the budgetary targets, the evolution of the debt ratio is likely to be less favourable than projected in the programme. The Commission services' 2010 spring forecast projects the ratio to attain 88.6% in 2011.

Thus, France is awarded a score of 0. This is due to the facts that France has committed to a plan and taken actions that would substantially reduce their budget deficit, however France has not shown any plan to reduce their government debt to GDP ratios.

Analyst: Faiyyad Hosein

Germany: +1

Germany has fully complied with its commitment to devise fiscal plans that will at least halve deficits by 2013 and stabilize or reduce government debt-to-GDP ratios by 2016.

Germany entered the Toronto Summit with a budget deficit of around 5 per cent of GDP.³² The budget deficit of 5 per cent is above the EU Stability and Growth Pact requirements, which binds members to maintain public deficits below 3 per cent of GDP and public debt at less than 60 per cent of GDP.³³ Under the Stability and Growth Pact, Germany is required to lower the general government deficit to 3 per cent of GDP by 2013; and the constitutional rule mandates a 0.35 structural deficit at the federal level by 2016 and balanced structural budgets at the state levels by 2020.³⁴

According to the IMF Fiscal Monitor, fiscal consolidation will start in 2011. The consolidation program is planned to be expenditure based.³⁵ A permanent income tax cut of about 1 per cent of GDP is planned in 2011 as part of an income tax reform.³⁶

On 2 July 2010 the German government implemented the Austerity Program to control the budget deficit, with tax hikes, new taxes and radical savings in areas including defense to rein in the budget deficit starting in 2011.³⁷ The spending cuts and tax hikes are part of Chancellor Merkel's pledge to foster a "new culture of stability in Europe" by

³²A G20 Summit Primer, BMO Capital Markets (Toronto) 23 June 2010. Date of Access: 17 October 2010 www.bmonesbittburns.com/economics/reports/20100623/sr100623.pdf

³³Communication from the Commission to the Council, European Commission (Brussels) 15 June 2010. Date of Access: 28 October 2010.

ec.europa.eu/economy_finance/sgp/pdf/30_edps/communication_to_the_council/2010-06-15_be_cz_de_ie_es_fr_it_nl_at_pt_si_sk_communication_on_action_taken_en.pdf

³⁴Communication from the Commission to the Council, European Commission (Brussels) 15 June 2010. Date of Access: 28 October 2010.

ec.europa.eu/economy_finance/sgp/pdf/30_edps/communication_to_the_council/2010-06-15_be_cz_de_ie_es_fr_it_nl_at_pt_si_sk_communication_on_action_taken_en.pdf

³⁵ IMF Fiscal Monitor, International Monetary Fund (Washington) 14 May 2010. Date of Access: 17 October 2010. www.imf.org/external/pubs/ft/fm/2010/fm1001.pdf

³⁶ IMF Fiscal Monitor, International Monetary Fund (Washington) 14 May 2010. Date of Access: 17 October 2010. www.imf.org/external/pubs/ft/fm/2010/fm1001.pdf

³⁷ Berlin Budget Deficit Much Lower than Expects, Spiegel Online (Berlin) 22 June 2010. Date of Access: 17 October 2010. www.spiegel.de/international/business/0,1518,702114,00.html

helping to reduce the burden of public debt.³⁸ The medium-term budgetary strategy is to correct the excessive deficit by 2013 with an average annual fiscal effort of almost $\frac{3}{4}$ per cent of GDP in 2011-2013.³⁹

According to Deutsche Bank Research, Debt Brakes for Euroland, implemented in June 2009, a debt brake will reduce its debt to GDP ratios and according to projections by the German Federal Ministry of Finance, public debt could fall to less than 50 per cent of GDP by 2030, if nominal growth can be maintained at 3 per cent each year.⁴⁰

Thus, given the detailed fiscal plan that the German government has committed to in their Austerity plan to cut their budget deficit and reduce government debt to GDP ratios, Germany is awarded at score of +1, for full compliance.

Analyst: Faiyyad Hosein

Italy: 0

Italy has partially complied with its commitment to devise fiscal plans that will at least halve deficits by 2013 and stabilize or reduce government debt-to-GDP ratios by 2016.

Italy entered the Toronto Summit with a budget deficit of around 5 per cent and with debt-to-GDP ratio at over 100 per cent of GDP.⁴¹ On 26 May 2010 Prime Minister Silvio Berlusconi announced Italy's planned EUR24.9 billion (USD30.4 billion) of budget cuts.⁴² Italy's cuts include a three-year wage freeze for civil servants, a 10 percent budget cut for ministries, EUR 4.5 billion in reduced transfers to regional governments, a partial amnesty on illegal construction and a crackdown on tax evasion.⁴³ This EUR25 billion austerity budget⁴⁴ also known as the "stability plan" was subsequently approved by the Italian government showing a firm and comprehensive plan to reduce their budget deficit.

³⁸ Germany Austerity Program offers chance for new beginning, Spiegel Online (Berlin) 2 June 2010. Date of Access: 17 October 2010. www.spiegel.de/international/germany/0,1518,698378,00.html

³⁹ Communication from the Commission to the Council, European Commission (Brussels) 15 June 2010. Date of Access: 28 October 2010.

ec.europa.eu/economy_finance/sgp/pdf/30_edps/communication_to_the_council/2010-06-15_be_cz_de_ie_es_fr_it_nl_at_pt_si_sk_communication_on_action_taken_en.pdf

⁴⁰ Debt Brakes for Euroland, Deutsche Bank Research (Frankfurt) 12 July 2010. Date of Access: 17 October 2010. www.dbresearch.com/PROD/DBR_INTERNET_EN-PROD/PROD000000000259939.pdf

⁴¹ A G20 Summit Primer, BMO Capital Markets (Washington) 23 June 2010. Date of Access: 17 October 2010 www.bmonesbittburns.com/economics/reports/20100623/sr100623.pdf

⁴² Berlusconi says \$30 billion of budget cuts needed to save Euro, Bloomberg Businessweek (New York) 26 May 2010. Date of Access: 17 October 2010. www.businessweek.com/news/2010-05-26/berlusconi-says-30-billion-of-budget-cuts-needed-to-save-euro.html

⁴³ Berlusconi says \$30 billion of budget cuts needed to save Euro, Bloomberg Businessweek (New York) 26 May 2010. Date of Access: 17 October 2010. www.businessweek.com/news/2010-05-26/berlusconi-says-30-billion-of-budget-cuts-needed-to-save-euro.html

⁴⁴ Italy OKs 2011 Austerity Budget, Pledges growth push, Wall Street Journal (New York) 14 October 2010. Date of Access: 17 October 2010. online.wsj.com/article/BT-CO-20101014-706639.html

According to the IMF Fiscal Monitor, the gradual fiscal consolidation is envisaged in line with the requirements of the EU Stability and Growth Pact.⁴⁵ Net borrowing is planned to fall from 5.3 per cent of GDP in 2009 to 5.0 per cent in 2010, 3.9 per cent in 2011 and 2.7 per cent in 2012.⁴⁶ The adjustment in 2010 would come from a reduction in total expenditures of 0.8 per cent of GDP partially compensated by a reduction in revenues.⁴⁷ For the following years, program details are yet to be decided.⁴⁸

Italy submitted a Stability and Convergence programme in 2008 to the European Commission and the commission reviewed the updated plan on 18 August 2010.⁴⁹ The stability programme update for Italy outlines a comprehensive plan for a falling debt to GDP ratio starting in 2011.⁵⁰

Thus, given the detailed fiscal plan that the Italian government has committed to in their Austerity budget to halve their budget deficit by 2013 and the plan in their stability and convergence programme to reduce government debt to GDP ratios by 2016, Italy has been awarded at score of +1, for full compliance.

Analyst: Faiyyad Hosein

Japan: +1

Japan has fully complied with its commitment to devise fiscal plans that will at least halve deficits by 2013 and stabilize or reduce government debt-to-GDP ratios by 2016.

On 22 June 2010 the Japanese government unveiled its fiscal plan that will tackle public debt and reduce budget deficit. Japan's public debt-to-nominal GDP is forecast at 171.1 per cent for 2010/11.⁵¹ The fiscal plan calls for bringing the primary budget balance into surplus by 2020/21 and lowering the debt-to-GDP ratio from 2021/22.⁵² Once a primary budget surplus is achieved, the government will aim to steadily lower the outstanding debt-GDP ratio. The government will cap new bond issuance for the fiscal year starting April 2011 at the level of 44.3 trillion yen earmarked for the current fiscal year's budget.⁵³ The plan did not specify a timeframe for raising the sales tax.⁵⁴

⁴⁵ IMF Fiscal Monitor, International Monetary Fund – May 14 2010. Date of Access: 17 October 2010. www.imf.org/external/pubs/ft/fm/2010/fm1001.pdf

⁴⁶ IMF Fiscal Monitor, International Monetary Fund – May 14 2010. Date of Access: 17 October 2010. www.imf.org/external/pubs/ft/fm/2010/fm1001.pdf

⁴⁷ IMF Fiscal Monitor, International Monetary Fund – May 14 2010. Date of Access: 17 October 2010. www.imf.org/external/pubs/ft/fm/2010/fm1001.pdf

⁴⁸ IMF Fiscal Monitor, International Monetary Fund – May 14 2010. Date of Access: 17 October 2010. www.imf.org/external/pubs/ft/fm/2010/fm1001.pdf

⁴⁹ Italy's stability programme, Ministry of Finance (Brussels) February 2009. Date of Access: 17 October 2010. ec.europa.eu/economy_finance/publications/publication13903_en.pdf

⁵⁰ Italy's stability programme, Ministry of Finance (Brussels) February 2009. Date of Access: 17 October 2010. ec.europa.eu/economy_finance/publications/publication13903_en.pdf

⁵¹ FACTBOX-Budget deficits of richer G20 nations, Reuters (Washington) 27 June 2010. Date of Access: 27 October 2010. www.reuters.com/article/idUSN2412302520100627

⁵² FACTBOX-Budget deficits of richer G20 nations, Reuters (Washington) 27 June 2010. Date of Access: 27 October 2010. www.reuters.com/article/idUSN2412302520100627

⁵³ FACTBOX-Budget deficits of richer G20 nations, Reuters (Washington) 27 June 2010. Date of Access: 27 October 2010. www.reuters.com/article/idUSN2412302520100627

The government plans to cap budget spending below around YEN71 trillion until 2013 and keep new government bond issuance below YEN44 trillion yen.⁵⁵

Thus, Japan has been rewarded a score of +1.

Analyst: Mila Khodskaya

Korea: +1

Korea has fully complied with its commitment to devise fiscal plans that will at least halve deficits by 2013 and stabilize or reduce government debt-to-GDP ratios by 2016.

Korea entered the Toronto Summit with a balanced budget.⁵⁶ According to the IMF Fiscal Monitor, the 2010-13 Budget envisages a continued strengthening in the fiscal balance to 2 percent of GDP by 2013, largely through expenditure reduction.⁵⁷ Tax measures encompass the scaling back of income tax allowances, increasing social security contributions and raising environmental taxes.⁵⁸ On the spending side, suspension or downsizing of temporary projects are envisaged as well as expansion of PPPs and better prioritization of investments.⁵⁹ Given these savings, low debt levels and the imminent return to surplus, the Korean government has complied with both areas of commitment 6, in both reducing their budget deficit and their debt to GDP ratios.

Thus, given the detailed fiscal plan that the Korean government has committed to in their 2010 — 2011 budget to halve their budget deficit by 2013 and to reduce government debt to GDP ratios by 2016, Korea has been awarded at score of +1, for full compliance.

Analyst: Faiyyad Hosein

United Kingdom: +1

The United Kingdom has fully complied with its commitment to devise fiscal plans that will at least halve deficits by 2013 and stabilize or reduce government debt-to-GDP ratios by 2016.

⁵⁴ Kan unveils fiscal reform plans, but sets no concrete road map, Japan Today (Tokyo) 22 June 2010. Date of Access: 27 October 2010. www.japantoday.com/category/politics/view/kan-unveils-fiscal-reform-plans-but-sets-no-concrete-road-map

⁵⁵ Kan unveils fiscal reform plans, but sets no concrete road map, Japan Today (Tokyo) 22 June 2010. Date of Access: 27 October 2010. www.japantoday.com/category/politics/view/kan-unveils-fiscal-reform-plans-but-sets-no-concrete-road-map

⁵⁶ A G20 Summit Primer, BMO Capital Markets (Toronto) 23 June 2010. Date of Access: 17 October 2010 www.bmonesbittburns.com/economics/reports/20100623/sr100623.pdf

⁵⁷ IMF Fiscal Monitor, International Monetary Fund (Washington) May 14 2010. Date of Access: 17 October 2010. www.imf.org/external/pubs/ft/fm/2010/fm1001.pdf

⁵⁸ IMF Fiscal Monitor, International Monetary Fund (Washington) May 14 2010. Date of Access: 17 October 2010. www.imf.org/external/pubs/ft/fm/2010/fm1001.pdf

⁵⁹ IMF Fiscal Monitor, International Monetary Fund (Washington) May 14 2010. Date of Access: 17 October 2010. www.imf.org/external/pubs/ft/fm/2010/fm1001.pdf

UK entered the Toronto Summit with a budget deficit of around 10.1 per cent.⁶⁰ On 24 May 2010, the UK treasury released a press statement announcing that it's most urgent priority is to tackle the UK's record deficit in order to restore confidence in our economy and support the recovery.⁶¹ The Chancellor George Osborne and the Chief Secretary to the Treasury David Laws announced the first step in tackling the deficit is setting out details of how the Government will save over GBP 6 billion from spending during this financial year. These savings have been found by cutting waste and low value programmes across Government.⁶² The majority of the GBP 6.2 billion savings will be used to reduce the deficit.⁶³

According to the IMF Fiscal Monitor, the UK June 2010 Budget reaffirmed the objective of halving the deficit of 11.8 per cent of GDP in 2009-10 over the next four years.⁶⁴ As announced earlier, current expenditure is expected to grow at a rate of 0.8 per cent a year on average from 2011-12 to 2014-15, while net public investment will fall to 1¼ per cent of GDP by 2013-14, from 3.3 per cent of GDP in 2008-09.⁶⁵

On 20 October 2010, the UK Treasury released the Comprehensive Spending review 2010.⁶⁶ The spending review seeks to reduce the budget deficit by raising tax revenue by an estimated GBP 7 billion by 2014-2015 by combating tax fraud, evasion and avoidance. The government will also look at the potential sale of public sector assets to raise revenue and cut administration budgets across all of Whitehall to save GBP 5.9 billion a year until 2014 — 2015.⁶⁷ The comprehensive spending review outlines a plan for public sector net debt as a percentage of GDP to fall at fixed date of 2015 — 2016. This shows a clear plan to both halve the deficit by 2013 and stabilize debt to GDP ratios by 2016.

According to the IMF Fiscal Monitor, UK's net government debt to GDP is expected to rise from 71.6 per cent in 2010 to 84.1 per cent in 2014 and then stabilize at 83.9 per cent in 2015.⁶⁸ This illustrates a stabilization of debt to GDP ratios.

⁶⁰A G20 Summit Primer, BMO Capital Markets (Toronto) 23 June 2010. Date of Access: 17 October 2010 www.bmonesbittburns.com/economics/reports/20100623/sr100623.pdf

⁶¹ Reducing the government deficit, UK Treasury (London) 24 May 2010. Date of Access: October 17 2010. www.hm-treasury.gov.uk/psr_reducing_government_deficit.htm

⁶² Reducing the government deficit, UK Treasury (London) 24 May 2010. Date of Access: October 17 2010. www.hm-treasury.gov.uk/psr_reducing_government_deficit.htm

⁶³ Reducing the government deficit, UK Treasury (London) 24 May 2010. Date of Access: October 17 2010. www.hm-treasury.gov.uk/psr_reducing_government_deficit.htm

⁶⁴ IMF Fiscal Monitor, International Monetary Fund – May 14 2010. Date of Access: October 17 2010. www.imf.org/external/pubs/ft/fm/2010/fm1001.pdf

⁶⁵ IMF Fiscal Monitor, International Monetary Fund – May 14 2010. Date of Access: October 17 2010. www.imf.org/external/pubs/ft/fm/2010/fm1001.pdf

⁶⁶ Spending Review 2010, HM Treasury (London) 20 October 2010: Date of Access: October 21 2010. cdn.hm-treasury.gov.uk/sr2010_completereport.pdf

⁶⁷ Spending Review 2010, HM Treasury (London) 20 October 2010: Date of Access: October 21 2010. cdn.hm-treasury.gov.uk/sr2010_completereport.pdf

⁶⁸ IMF Fiscal Monitor, International Monetary Fund (Washington) May 14 2010. Date of Access: 17 October 2010. www.imf.org/external/pubs/ft/fm/2010/fm1001.pdf

Thus, given the detailed fiscal plan that the UK government has committed to in their Comprehensive Spending Review 2010 to both halve the budget deficit and reduce government debt to GDP ratios, the United Kingdom is awarded at score of +1, for full compliance.

Analyst: Faiyyad Hosein

United States: 0

The United States has partially complied with its commitment to devise fiscal plans that will at least halve deficits by 2013 and stabilize or reduce government debt-to-GDP ratios by 2016.

The United States entered the Toronto Summit with a budget deficit of USD 1.3 trillion, about 9 per cent of GDP.⁶⁹

On 1 February 2010 President Barack Obama pledged to halve the budget deficit by 2012.⁷⁰

According to the IMF Fiscal Monitor, the United States 2010 National budget includes a 3-year freeze on non-security discretionary funding, requiring the financial services industry to fully pay back the costs of the TARP, allowing the 2000-03 tax cuts for households earnings more than USD 250,000 to expire, broadening tax base for corporate and upper-income taxpayers, and eliminating funding for inefficient fossil fuel subsidies.⁷¹ The enacted health care reform is projected by the CBO to lower federal deficits by USD 143 billion by 2019.⁷² In addition, the administration created a fiscal commission to identify further savings with the goal of achieving primary balance by FY2015 and achieving long-run fiscal sustainability.⁷³

According to the IMF Fiscal Monitor, 14 May 2010, United States net government debt to GDP is expected to rise from 66.2 per cent in 2010 to 85.5 per cent in 2015.⁷⁴ There is no comprehensive policy document outlining a plan for United States government debt to GDP ratios to fall or stabilize.

On 18 February 2010 President Obama created the bipartisan National Commission on Fiscal Responsibility and Reform to address the nation's fiscal challenges.⁷⁵ The

⁶⁹A G20 Summit Primer, BMO Capital Markets (Toronto) 23 June 2010. Date of Access: 17 October 2010 www.bmonesbittburns.com/economics/reports/20100623/sr100623.pdf

⁷⁰Obama's 2010 budget: deficit soars amid job spending, Reuters (Washington) 1 February 2010. Date of Access: 17 October 2010. www.reuters.com/article/idUSTRE60U00220100201

⁷¹IMF Fiscal Monitor, International Monetary Fund (Washington) May 14 2010. Date of Access: 17 October 2010. www.imf.org/external/pubs/ft/fm/2010/fm1001.pdf

⁷²IMF Fiscal Monitor, International Monetary Fund (Washington) May 14 2010. Date of Access: 17 October 2010. www.imf.org/external/pubs/ft/fm/2010/fm1001.pdf

⁷³IMF Fiscal Monitor, International Monetary Fund (Washington) May 14 2010. Date of Access: 17 October 2010. www.imf.org/external/pubs/ft/fm/2010/fm1001.pdf

⁷⁴IMF Fiscal Monitor, International Monetary Fund – 14 May 2010. Date of Access: 17 October 2010. www.imf.org/external/pubs/ft/fm/2010/fm1001.pdf

⁷⁵About the National Commission on Fiscal responsibility and reform, US Fiscal Commission (Washington). Date of Access: 17 October 2010. www.fiscalcommission.gov/about

commission is charged with identifying policies to improve the fiscal situation in the medium term to achieve fiscal sustainability in the long run.⁷⁶ The commission shall propose recommendations to balance the budget, excluding interest payments on debt, by 2015. The commission will vote on a final report to achieve its mission no later than 1 December 2010. Thus far despite commitment to this report, no final report has yet been published.

The United States has partially complied with its commitment to halve deficits by 2013 and reduce or stabilize debt to GDP ratios by 2016. The US government has declared proposals in its national budget that can halve the budget deficit by 2013, however there is no comprehensive plan has been issued that would reduce government debt to GDP ratios by 2016 and thus it is awarded a score of 0.

Analyst: Faiyyad Hosein

⁷⁶ About the National Commission on Fiscal responsibility and reform, US Fiscal Commission (Washington). Date of Access: 17 October 2010. www.fiscalcommission.gov/about

2. Macroeconomic Policy: Advanced Deficit Economies [16]

Commitment

“Advanced deficit countries should take actions to boost national savings while maintaining open markets and enhancing export competitiveness.”

G20 Toronto Summit Declaration

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Australia			+1
Canada			+1
France			+1
Italy			+1
United Kingdom			+1
United States		0	
Average Score			+0.83

Background

During the G20 Pittsburgh Summit, the leaders adopted the Framework for Strong, Sustainable and Balanced Growth which outlined a process for economic cooperation and coordination to help ensure that “post-crisis policies avoid a return to dangerous imbalances that undermine long-term economic growth.⁷⁷ Under the Framework, G20 members with sustained, significant external deficits agreed to “undertake policies to support private savings and undertake fiscal consolidation while maintain open markets and strengthening export sectors.”⁷⁸ The G20 members with sustained, significant external surpluses agreed to “strengthen domestic sources of growth ... [which] could include increasing investment, reducing financial markets distortions, boosting productivity in service sectors, improving social safety nets, and lifting constraints on demand growth.”⁷⁹

At the Toronto Summit, leaders stated that plans to continue exit strategies and deliver fiscal sustainability in major economies should be combined with efforts to rebalance global demand in order to ensure that global growth continues on a sustainable path. Advanced deficit countries and surplus economies made specific commitments tailored to their national circumstances. The actions of the advanced deficit and surplus economies are meant to complement each other and be implemented in parallel in order to sustain global recovery. The leaders affirmed that “advanced deficit countries should take actions to boost national savings while maintaining open and enhancing export

⁷⁷ The Pittsburgh Summit: Key Accomplishments, G20 Pittsburgh Summit (Pittsburgh) 25 September 2010. Date of Access: 17 October 2010. www.pittsburghsummit.gov/resources/129665.htm

⁷⁸ The Leaders Statement, The Pittsburgh Summit (Pittsburgh) 25 September 2009. Date of Access: 16 October 2010. www.pittsburghsummit.gov/mediacenter/129639.htm

⁷⁹ The Leaders Statement, The Pittsburgh Summit (Pittsburgh) 25 September 2009. Date of Access: 16 October 2010. www.pittsburghsummit.gov/mediacenter/129639.htm

competitiveness.”⁸⁰ The commitment aims to rebalance global demand and help advanced deficit economies to reduce their current account deficits while maintaining sustainable and balanced global economic environments.

The IMF has asserted that recovery rests on two rebalancing acts, internal rebalancing and external rebalancing.⁸¹ Internal rebalancing requires on strengthening of private demand in advanced economies. External rebalancing requires on an increase in net exports in deficit economies and a decrease in net exports in surplus economies. At the G20 Deputies Meeting in Gwangju, Korea, in September 2010, members reiterated that “increases in net exports in advanced countries would bolster their growth, allowing for more room for fiscal consolidation.”⁸² Normalization of credit intermediation would help support the transition to growth led by private demand.⁸³

To support the rebalancing acts, advanced deficit economies should focus on implementing financial sector reform, in combination with entitlement and credible fiscal reform, and the policies should be designed with countries’ needs and economic circumstances in mind.⁸⁴

Commitment Features

The commitment is based on three features: boosting national savings, maintain open markets, and enhancing export competitiveness. The three features are complementary and will undermine the efforts if not implemented simultaneously. Full compliance requires members to members to undertake comprehensive policy action to boost national savings while maintaining open markets and implementing policies geared towards enhancing export competitiveness.

All measures to boost national savings can be registered as compliance unless they are protectionist as defined by the WTO. All actions taken by member if they are declared to be aimed at balancing current accounts should be registered as compliance. If there is no clear indication given by G20 member authorities or international organizations (e.g. IMF) that a specific measure is taken to balance current accounts analyst should explain how such measure affect current accounts to include it in the report.

⁸⁰ The G-20 Toronto Summit Declaration, G20 Toronto Summit (Toronto) 27 June 2010. Date of Access: 17 October 2010. g20.org/Documents/g20_declaration_en.pdf

⁸¹ Meeting of G20 Deputies: Global Economic Prospects and Policy Challenges, International Monetary Fund (Washington) 5 September 2010. Date of Access: 17 October 2010. www.imf.org/external/np/g20/pdf/090410.pdf

⁸² Meeting of G20 Deputies: Global Economic Prospects and Policy Challenges, International Monetary Fund (Washington) 5 September 2010. Date of Access: 17 October 2010. www.imf.org/external/np/g20/pdf/090410.pdf

⁸³ Meeting of G20 Deputies: Global Economic Prospects and Policy Challenges, International Monetary Fund (Washington) 5 September 2010. Date of Access: 17 October 2010. www.imf.org/external/np/g20/pdf/090410.pdf

⁸⁴ G20 Mutual Assessment Process – Alternative Policy Scenarios, International Monetary Fund (Washington) 27 June 2010. Date of Access: 17 October 2010. www.imf.org/external/np/g20/pdf/062710a.pdf

According to the IMF thematic G20 groupings,⁸⁵ Canada and France are classified as deficit economies (see Table 5). However, the IMF groupings evaluate the balance of current accounts based on assessments of the past five years. For the purposes of this report and in order to stay within the scope of this compliance, advanced deficit economies are defined based on the state of their current account. As such, the G20 advanced deficit economies are: Australia, Canada, France, Italy, the United Kingdom, and the United States.

Table 5. G20 member-states' 2009 current account balance deficits/surpluses

Country	Current account balance as % of GDP 2009 ⁸⁶	Advanced / Emerging ⁸⁷
Argentina	2.79	Emerging
Australia	-4.11	Advanced
Brazil	-1.55	Emerging
Canada	-2.70	Advanced
China	5.78	Emerging
France	-1.45	Advanced
Germany	4.79	Advanced
India	-2.09	Emerging
Indonesia	1.96	Emerging
Italy	-3.37	Advanced
Japan	2.80	Advanced
Mexico	-0.60	Emerging
Korea	5.13	Advanced
Russia	3.87	Emerging
Saudi Arabia	5.54	Emerging
South Africa	-3.99	Emerging
Turkey	-2.25	Emerging
United Kingdom	-1.32	Advanced
United States	-2.93	Advanced

⁸⁵ G20 Mutual Assessment Process – Alternative Policy Scenarios, International Monetary Fund (Washington) 27 June 2010. Date of Access: 17 October 2010.

www.imf.org/external/np/g20/pdf/062710a.pdf

⁸⁶ World Economic and Financial Surveys World Economic Outlook Database

www.imf.org/external/pubs/ft/weo/2010/01/weodata/index.aspx

⁸⁷ Country Composition of WEO Groups

www.imf.org/external/pubs/ft/weo/2009/02/weodata/groups.htm#ae

Scoring Guidelines

-1	The member fails to take actions to boost national savings AND undertakes measures against market openness and export competitiveness.
0	The member undertakes actions to boost national savings BUT does not maintain open markets and enhance export competitiveness.
+1	The member takes comprehensive actions to boost national savings while maintains open markets and takes measures enhance export competitiveness.

Australia: +1

Australia has fully complied with its commitment to take actions to boost national savings while maintaining open markets and enhancing export competitiveness.

In the 2010-2011 National Budget, delivered on 11 May 2010, the Australian government set up a Renewable Energy Future Fund and an Infrastructure fund which is a form of national savings for future generations of Australians.⁸⁸ According to the budget, the Australian government expects to reap national savings of more than AUD30 billion by 2014, starting immediately in the 2010 period. This shows the commitment of the Australian government in taking actions to boost national savings.⁸⁹ Under the Budget, the government has also committed to drought support, adjustment support and initiatives for rural food producers among several other initiatives in the Compendium of Principles and Initiatives.⁹⁰ These initiatives will enhance Australia's export competitiveness.

According to the WTO Member Information the Australian Department of Foreign Affairs and Trade and, Australia has been involved in 72 trade disputes both as complainant and respondent which are mediated through the WTO.^{91,92} These trade disputes can compromise the openness of Australia's markets; however at this time no sanctions or fines have been levied at Australia by the WTO.⁹³ Thus far pending sanctions and the outcome of these disputes, Australia has maintained its commitment to keep open markets.

⁸⁸ Appendix F: Major Savings in the 2010 – 2011 budget, Australian Government (Sydney) July 2010. Date of Access: 17 October 2010

www.budget.gov.au/2010-11/content/overview/html/overview_36.htm

⁸⁹ Appendix E: Major Initiatives in the 2010 – 2011 budget, Australian Government (Sydney) July 2010.

Date of Access: 17 October 2010

www.budget.gov.au/2010-11/content/overview/html/overview_36.htm

⁹⁰ Budget 2010 – 2011: Compendium of Priorities and Initiatives, Australian Government (Sydney) July 2010. Date of Access: 17 October 2010. www.budget.gov.au/2010-11/content/ministerial_statements/rural_and_regional/html/ms_rural_and_regional-03.htm

⁹¹ Summary of Australia's involvement in disputes currently before the World Trade Organization,

Australian Government Department of Foreign Affairs and Trade (Sydney) October 2010. Date of Access: 22 October 2010. www.dfat.gov.au/trade/negotiations/disputes/index.html

⁹² Member information – Australia & the WTO, World Trade Organization (Geneva). Date of Access: 22

October 2010 www.wto.org/english/thewto_e/countries_e/australia_e.htm#top

⁹³ Member information – Australia & the WTO, World Trade Organization (Geneva). Date of Access: 22 October 2010 www.wto.org/english/thewto_e/countries_e/australia_e.htm#top

The Australian Trade Commission (Austrade) is supporting high-level missions to Asia promoting Australia's ICT capability and appeal as a technology investment destination.⁹⁴

Given Australian government's commitment to boost national savings, maintain open markets and enhance export competitiveness Australia has been given a score of +1.

Analyst: Faiyyad Hosein and Yuriy Zaytsev

Canada: +1

On 13 July 2010, Canadian Minister of Finance Jim Flaherty welcomed the Jobs and Economic Growth Act that helps secure Canada's economic recovery, encourage growth and create jobs. The Act is dedicated to return to budget balance over the medium term by restraining the growth of program spending.⁹⁵

On 9 September 2010 the Minister of Finance highlighted a Budget 2010 measure that strengthens the ability of Canadian businesses, particularly high-tech firms, to attract foreign venture capital.⁹⁶

On 13 September 2010 the Government of Canada announced plans to launch the Global Risk Institute in Financial Services (GRi) in Toronto. The institute is the first initiative resulting from a comprehensive financial services sector strategy designed to attract new jobs and investment.⁹⁷

On 27 September 2010 through the Economic Action Plan, the Government of Canada committed funds to over 23,000 projects across Canada to stimulate the economy and put Canadians back to work. In 2010-11, the Action Plan is on track to deliver a further \$22 billion in federal stimulus spending, complemented by \$7 billion in stimulus funding from provinces, territories, municipalities and other partners.⁹⁸

On 30 September 2010 the Government of Canada took further action to support Canada's economic recovery by limiting the potential increase in Employment Insurance (EI) premiums.⁹⁹

⁹⁴ Austrade supports major ICT push into Asia, the official web site of Australian Government, Austrade, 11 October, 2010. Date of access: 22 October, 2010. www.austrade.gov.au/Austrade-supports-major-ICT-push-into-Asia/default.aspx

⁹⁵ Government Acts to Secure Jobs and Economic Growth. URL: www.fin.gc.ca/n10/10-065-eng.asp

⁹⁶ Minister of Finance Highlights Budget Measure to Cut Red Tape and Boost Venture Capital for Canadian Firms. URL: www.fin.gc.ca/n10/10-079-eng.asp

⁹⁷ Launch of Global Institute in Risk Management Will Boost Canada's Financial Sector Reputation. URL: www.fin.gc.ca/n10/10-081-eng.asp

⁹⁸ Report to Canadians Shows Canada's Economic Action Plan Is Supporting the Recovery. URL: www.fin.gc.ca/n10/10-085-eng.asp

⁹⁹ Government of Canada Takes Action to Limit the Employment Insurance Premium Increase for 2011 to Five Cents. URL: www.fin.gc.ca/n10/10-088-eng.asp

On 6 October 2010 Minister of Finance highlighted some of Canada's accomplishments on the international economic front. Canada is instrumental in shaping reforms to the global financial sector and eliminated more than 1,700 tariffs.¹⁰⁰

Thus, the Government of Canada has fully complied with a commitment and is awarded a score of +1.

Analyst: Vitaly Nagornov

France: +1

On 8 July 2010 French Finance Minister Christine Lagarde proposed measures to make bank rates transparent and more balanced.¹⁰¹

On 15 September 2010 the Senate Finance Committee adopted amendments to the Bill of banking and financial regulation that strengthen market regulation and financial sector.¹⁰²

On 22 September 2010 French Government launched an initiative to bolster the competitiveness of the support services for major export contracts. The Interministerial Commission responsible for supporting companies' efforts to win international contracts will be tasked with selecting the most strategic major contracts for the French economy. These contracts will be given stronger public support, in particular, a more flexible export credit policy, which will take account of their consequences for employment and the French economy.¹⁰³

France has taken fiscal measures to boost national savings and enhances export competitiveness through WTO-compliant actions. Therefore, its score is +1 for the fulfillment of this commitment.

Analyst: Vitaly Nagornov

Italy: +1

Italy has fully complied with its commitment to take actions to boost national savings while maintaining open markets and enhancing export competitiveness.

Italy entered the Toronto Summit with a reasonable deficit of 5 per cent of GDP and earlier approved austerity measures will cut the shortfall to 2.7 per cent by 2012.¹⁰⁴

¹⁰⁰ Canada's Global Leadership Remains Strong as Role as G-7 Chair Draws to a Close. URL: www.fin.gc.ca/n10/10-092-eng.asp

¹⁰¹ Christine Lagarde propose des mesures pour rendre les tarifs bancaires plus justes et plus équilibrés. URL : www.economie.gouv.fr/discours-presse/discours-communiques_finances.php?type=communiqu&id=4412&rub=1

¹⁰² Christine Lagarde se félicite de l'adoption par la commission des finances du Sénat d'amendements au projet de loi de régulation bancaire et financière qui renforcent la régulation des marchés et du secteur financier. URL : www.economie.gouv.fr/discours-presse/discours-communiques_finances.php?type=communiqu&id=4577&rub=1

¹⁰³ Competitiveness of government support services for major export contracts. URL: www.ambafrance-uk.org/Competitiveness-of-support.html

¹⁰⁴ A G20 Summit Primer, BMO Capital Markets (Toronto) 23 June 2010. Date of Access: 17 October 2010 www.bmonesbittburns.com/economics/reports/20100623/sr100623.pdf

Italy's debt to GDP ratio is currently at over 100 per cent of GDP and is its biggest problem and its debt service costs are significant.¹⁰⁵

On 26 May 2010, Prime Minister Silvio Berlusconi said Italy's planned EUR 24.9 billion (USD 30.4 billion) of budget cuts over the next two years are "absolutely necessary" to defend the euro.¹⁰⁶ Italy's cuts include a three-year wage freeze for civil servants, a 10 per cent budget cut for ministries, EUR 4.5 billion in reduced transfers to regional governments, a partial amnesty on illegal construction and a crackdown on tax evasion.¹⁰⁷ This EUR 25 billion austerity budget also known as the "stability plan" was subsequently approved by the Italian government showing a firm and comprehensive plan to reduce their budget deficit.¹⁰⁸ These actions cut Italian expenditures show a firm commitment to increase national savings in the future.

According to the WTO Member Information for Italy given, Italy is involved in no trade disputes.¹⁰⁹ Thus Italy has maintained its commitment to keep open markets.

On 13 September 2010, the European Commission, of which Italy is a member state, implemented Regulation (EU) No 805/2010.¹¹⁰ The regulation re-imposes a definitive anti-dumping duty of 18.1 per cent of the price before duty on imports of ironing boards originating in the People's Republic of China made by certain manufacturers. These duties were re-imposed following an investigation carried out by the EC following the annulment of Regulation (EC) No 452/2007 by the Court of Justice .¹¹¹

On 27 September 2010, the European Commission implemented Regulation (EU) No 857/2010. The regulation imposes countervailing duty and collecting definitely the provisional duty imposed on imports of certain polyethylene terephthalate originating in Iran, Pakistan and the United Arab Emirates. The duties for Iran, Pakistan, and the UAE are equal to €139.70, €44.02, and €42.34 per tonne respectively. These duties were imposed following an investigation carried out by the EC following a complaint lodged on 20 July 2009 by the Polyethylene Terephthalate Committee of Plastics Europe.¹¹²

¹⁰⁵A G20 Summit Primer, BMO Capital Markets (Toronto) 23 June 2010. Date of Access: 17 October 2010 www.bmonesbittburns.com/economics/reports/20100623/sr100623.pdf

¹⁰⁶Berlusconi says \$30 billion of budget cuts needed to save Euro, Bloomberg Businessweek (New York) 26 May 2010. Date of Access: 17 October 2010. www.businessweek.com/news/2010-05-26/berlusconi-says-30-billion-of-budget-cuts-needed-to-save-euro.html

¹⁰⁷Berlusconi says \$30 billion of budget cuts needed to save Euro, Bloomberg Businessweek (New York) 26 May 2010. Date of Access: 17 October 2010. www.businessweek.com/news/2010-05-26/berlusconi-says-30-billion-of-budget-cuts-needed-to-save-euro.html

¹⁰⁸Italy OKs 2011 Austerity Budget, Pledges growth push, Wall Street Journal (Rome) 14 October 2010. Date of Access: 17 October 2010. online.wsj.com/article/BT-CO-20101014-706639.html

¹⁰⁹Member information – Italy & the WTO, World Trade Organization (Geneva). Date of Access: 22 October 2010 www.wto.org/english/thewto_e/countries_e/italy_e.htm

¹¹⁰COUNCIL IMPLEMENTING REGULATION (EU) No 805/2010. 13 September 2010. Date of Access 19 October 2010. eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:242:0001:0005:EN:PDF

¹¹¹COUNCIL IMPLEMENTING REGULATION (EU) No 805/2010. 13 September 2010. Date of Access 19 October 2010. eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:242:0001:0005:EN:PDF

¹¹²COUNCIL IMPLEMENTING REGULATION (EU) No 805/2010. 13 September 2010. Date of Access 19 October 2010. eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:242:0001:0005:EN:PDF

According to the Italian Trade commission, Italy promotes, facilitates and develops trade between Italy and the rest of the world, encouraging the internationalization of Italian firms and their establishment in foreign markets.¹¹³ The Italian Institute for Foreign Trade, therefore, provides services to firms allowing them to gain information on foreign markets and obtain assistance and operative support to promote their presence abroad and employ staff that is trained in the export sector. Thus Italy has maintained its commitment to enhance export competitiveness.

Thus, Italy has been given a score of +1.

Analyst: Faiyyad Hosein

United Kingdom: +1

The United Kingdom has fully complied with its commitment to take actions to boost national savings while maintaining open markets and enhancing export competitiveness.

On 20 October 2010 the UK Treasury released the Comprehensive Spending review 2010.¹¹⁴ The spending review seeks to reduce the budget deficit by raising tax revenue by an estimated GBP 7 billion by 2014-2015 by combating tax fraud, evasion and avoidance.¹¹⁵ The government will also look at the potential sale of public sector assets to raise revenue and cut administration budgets across all of Whitehall to save GBP 5.9 billion a year until 2014 — 2015.¹¹⁶ The Review plans to slash deficit from 10.1 per cent of GDP in 2010 to 1.1 per cent in 2015/16.¹¹⁷ The comprehensive spending review outlines a plan for public sector net debt as a percentage of GDP to fall at fixed date of 2015 — 2016.¹¹⁸ This shows a clear commitment to reduce expenditures which will work as an action to raise national savings in the future.

According to the WTO Member Information for the United Kingdom, the United Kingdom is involved in three trade disputes.¹¹⁹ These trade disputes can compromise the openness of the United Kingdom's markets. However, at this time no sanctions have been levied at the United Kingdom by the WTO.

On 25 May 2010 UK Trade and Investment department launched a fiscal stimulus initiative aims to raise awareness of global government stimulus packages and assist UK

¹¹³ Italian Trade Commission History, Italian Trade Commission (Rome). Date of Access: 22 October 2010. www.italytrade.com/site2005/anglais/pages/apropos/index.php?m=1&article=new

¹¹⁴ Spending Review 2010, HM Treasury (London) 20 October 2010: Date of Access: October 21 2010. cdn.hm-treasury.gov.uk/sr2010_complereport.pdf

¹¹⁵ Spending Review 2010, HM Treasury (London) 20 October 2010: Date of Access: October 21 2010. cdn.hm-treasury.gov.uk/sr2010_complereport.pdf

¹¹⁶ Spending Review 2010, HM Treasury (London) 20 October 2010: Date of Access: October 21 2010. cdn.hm-treasury.gov.uk/sr2010_complereport.pdf

¹¹⁷ A G20 Summit Primer, BMO Capital Markets (Toronto) 23 June 2010. Date of Access: 17 October 2010 www.bmonesbittburns.com/economics/reports/20100623/sr100623.pdf

¹¹⁸ Spending Review 2010, HM Treasury (London) 20 October 2010: Date of Access: October 21 2010. cdn.hm-treasury.gov.uk/sr2010_complereport.pdf

¹¹⁹ Member information – United Kingdom & the WTO, World Trade Organization (Geneva). Date of Access: 22 October 2010. www.wto.org/english/thewto_e/countries_e/united_kingdom_e.htm

companies in exploitation of these significant business opportunities.¹²⁰ Thus the UK has maintained its commitment to enhance export competitiveness.

Given the United Kingdom's commitment to boost national savings, maintain open markets and enhance export competitiveness Italy has been given a score of +1.

Analyst: Faiyyad Hosein

United States: 0

The United States have taken actions only to enhance export competitiveness and maintain open markets. No concrete steps have been taken for boosting national savings,.

The Federal Fund maintains rate at 0-0.25 percent since December 2008 which stimulates the population to spend, not to save.¹²¹

In August the U.S. Export-Import Bank (Ex-Im Bank), which is the official export credit agency of the United States, has approved a \$250 million working capital loan guarantee for Ford Motor Company in Dearborn, Michigan. The loan will finance vehicles sold to Canada and Mexico in amount representing 15 percent of Ford's 2009 output.¹²² In October the Ex-Im Bank authorized a record \$24.5 billion in export financing in fiscal year 2010.¹²³

In September the White House released a detailed plan for achieving the goals of the National Export Initiative (NEI) which was announced by the U.S. President Barack Obama in January 2010. The NEI seeks to double U.S. export sales within five years to support an additional two million American jobs.¹²⁴ Prior to this, the U.S. Government discussed with companies means to increase exports through NEI in round tables¹²⁵ and webinars.¹²⁶

¹²⁰ Fiscal Stimulus Initiative, UK Trade and Investment (London) May 25 2010. Date of Access: October 22 2010. www.ukti.gov.uk/export/accessinginternationalmarkets/fiscalstimulusinitiative.html

¹²¹ Minutes of the Federal Open Market Committee, Board of Governors of the Federal Reserve System 21 September 2010. Date of Access: 24 October 2010.

www.federalreserve.gov/monetarypolicy/fomcminutes20100921.htm

¹²² Ex-Im Bank Approves \$250 Million in Export Financing for 211,000 Ford Motor Company Vehicles, Marketwatch 5 August 2010. Date of Access: 18 September 2010. www.marketwatch.com/story/ex-im-bank-approves-250-million-in-export-financing-for-211000-ford-motor-company-vehicles-2010-08-05

¹²³ Ex-Im Bank FY '10 Export Financing Surges To \$24.5 Billion, Supporting \$34.4 Billion Of Exports And 227,000 American Jobs, Export-Import Bank of the U.S. 14 October 2010. Date of Access: 23 October 2010. www.exim.gov/pressrelease.cfm/AC21090B-9194-BEEE-D73400177EE05D58/

¹²⁴ Ambassador Kirk Joins President Obama at Export Council Meeting, Discusses the National Export Initiative, Office of the U.S. Trade Representative 16 September 2010. Date of Access: 13 October 2010. www.ustr.gov/about-us/press-office/blog/2010/september/ambassador-kirk-joins-president-obama-export-council-meeti

¹²⁵ Commerce Secretary Gary Locke Meets With U.S. Company CEOs, U.S. Department of Commerce 16 July 2010. Date of Access: 20 September 2010. www.commerce.gov/news/press-releases/2010/07/16/commerce-secretary-gary-locke-meets-us-company-ceos

¹²⁶ National Export Initiative Webinar, National Export Initiative 16 August 2010. Date of Access: 20 September 2010. www.export.gov/nei/index.asp

The U.S. Department of Commerce is actively involved in enhancing U.S. competitiveness on the global edge. On 20 July U.S. Commerce Secretary Gary Locke and Korea's Minister of Knowledge Economy (MKE) Kyunghwan Choi confirmed their commitment to strengthening the U.S.-Korea commercial and investment relationship. Both expressed support for removing barriers to trade, including putting the U.S.-Korea Free Trade Agreement (KORUS FTA) in place.¹²⁷

On 26 August U.S. Commerce Secretary Gary Locke announced measures to help keep U.S. companies competitive. These steps, which support Obama's National Export Initiative (NEI), are focused on combating illegal import practices from non-market economies.¹²⁸

On 28 September 2010 U.S. Commerce Secretary Gary Locke announced more than USD1.7 million in grants to five nonprofit industry organizations. These support projects are expected to generate USD265 million in U.S. exports.¹²⁹

Thus the U.S. is scored 0 for the partial compliance with the commitment on macroeconomic policy.

Analysts: Tatyana Lanshina & Faiyyad Hosein

¹²⁷ Commerce Secretary Gary Locke Meets With Korea's Minister of Knowledge Economy Kyunghwan Choi, United States Department of Commerce 20 July 2010. Date of Access: 12 October 2010. www.commerce.gov/news/press-releases/2010/07/20/commerce-secretary-gary-locke-meets-koreas-minister-knowledge-economy

¹²⁸ Obama Administration Strengthens Enforcement of U.S. Trade Laws in Support of President's National Export Initiative, United States Department of Commerce 26 August 2010. Date of Access: 28 September 2010. www.commerce.gov/news/press-releases/2010/08/26/obama-administration-strengthens-enforcement-us-trade-laws-support-pr

¹²⁹ U.S. Commerce Secretary Gary Locke Announces Grants to Boost Exports and Promote U.S. Competitiveness, United States Department of Commerce 28 September 2010. Date of Access: 12 October 2010. www.commerce.gov/news/press-releases/2010/09/28/us-commerce-secretary-gary-locke-announces-grants-boost-exports-and-p

3. Macroeconomic Policy: Surplus Economies [17]

Commitment

“Surplus economies will undertake reforms to reduce their reliance on the external demand and focus more on domestic sources of growth.”

G20 Toronto Summit Declaration

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina			+1
China			+1
Germany		0	
Indonesia		0	
Japan			+1
Korea			+1
Russia			+1
Saudi Arabia		0	
Average score			+0.63

Background

During the G20 Pittsburgh Summit, the leaders adopted a Framework for Strong, Sustainable and Balanced Growth which outlines a process for economic cooperation and coordination to help ensure that “post-crisis policies avoid a return to dangerous imbalances that undermine long-term economic growth.¹³⁰ Under the Framework, the G20 members with sustained, significant external deficits agreed to “undertake policies to support private savings and undertake fiscal consolidation while maintain open markets and strengthening export sectors.”¹³¹ The G20 members with sustained, significant external surpluses agreed to “strengthen domestic sources of growth ... [which] could include increasing investment, reducing financial markets distortions, boosting productivity in service sectors, improving social safety nets, and lifting constraints on demand growth.”¹³²

At the Toronto summit G20, the leaders stated that plans to continue existing stimulus plans and deliver fiscal sustainability in major economies should be combined with efforts to rebalance global demand to help ensure global growth continues on a sustainable path. G20 members made specific commitments tailored to their national circumstances for advanced deficit countries and surplus economies.

¹³⁰ The Pittsburgh Summit: Key Accomplishments, G20 Pittsburgh Summit (Pittsburgh) 25 September 2010. Date of Access: 17 October 2010. www.pittsburghsummit.gov/resources/129665.htm

¹³¹ The Leaders Statement, The Pittsburgh Summit (Pittsburgh) 25 September 2009. Date of Access: 16 October 2010. www.pittsburghsummit.gov/mediacenter/129639.htm

¹³² The Leaders Statement, The Pittsburgh Summit (Pittsburgh) 25 September 2009. Date of Access: 16 October 2010. www.pittsburghsummit.gov/mediacenter/129639.htm

The IMF asserts that recovery continues to rest on two rebalancing acts, internal rebalancing and external rebalancing.¹³³ Internal rebalancing rests on strengthening of private demand in advanced economies, while external rebalancing rests on an increase in net exports in deficit economies in parallel with a decrease in net exports in surplus economies. The aims to rebalance global demand and help surplus economies reduce their current account surpluses and shift their policy ameliorate domestic sources of growth.

At the G20 Deputies Meeting in Gwangju, Korea in September 2010, members reiterated that “Policies in external surplus economies need to facilitate global demand rebalancing and pave the way for a sustained, healthy recovery.”¹³⁴ The IMF noted that “policies to support stronger domestic demand will help maintain activity in emerging economies the face of lower demand from advanced economies. They will raise net exports of advanced economies, allowing for a better transition from publicly to privately-led demand, even if this crucially relies on better fiscal, financial, and structural policies in the advanced economies.”¹³⁵

While the Toronto Communiqué did not prescribe measures by advanced surplus economies, it did for emerging surplus economies. Annex I to the declaration details these measures; they include:

- Strengthening social safety nets (such as public health care and pension plans to be undertaken), corporate governance and financial market development to help reduce precautionary savings and stimulate private spending;
- Increasing infrastructure spending to help boost productive capacity and reduce supply bottlenecks;
- Enhancing exchange rate flexibility to reflect underlying economic fundamentals.¹³⁶

Note that this list is not exhaustive. Measures in other areas can be also registered as compliance unless they are protectionist as defined by the WTO. All actions taken by member if they are declared to be aimed at balancing current accounts should be registered as compliance. If there is no clear indication given by G20 member authorities or international organisations (e.g. IMF) that a specific measure is taken to balance current accounts analyst should explain how such measure affect current accounts to include it in the report.

¹³³ Meeting of G20 Deputies: Global Economic Prospects and Policy Challenges, International Monetary Fund (Washington) 5 September 2010. Date of Access: 17 October 2010. www.imf.org/external/np/g20/pdf/090410.pdf

¹³⁴ Meeting of G20 Deputies: Global Economic Prospects and Policy Challenges, International Monetary Fund (Washington) 5 September 2010. Date of Access: 17 October 2010. www.imf.org/external/np/g20/pdf/090410.pdf

¹³⁵ Meeting of G20 Deputies: Global Economic Prospects and Policy Challenges, International Monetary Fund (Washington) 5 September 2010. Date of Access: 17 October 2010. www.imf.org/external/np/g20/pdf/090410.pdf

¹³⁶ The G-20 Toronto Summit Declaration, G20 Toronto Summit (Toronto) 27 June 2010. Date of Access: 17 October 2010. g20.org/Documents/g20_declaration_en.pdf

Commitment Features

The commitment is based on two features including reducing reliance on external demand and undertaking reforms to focus on domestic sources of growth. Full compliance requires members to undertake comprehensive policy reforms in both areas. In order to register full compliance, the member must undertake and at least two reforms that focus on domestic sources of growth. Emerging surplus economies should undertake reforms that focus on domestic sources of growth which fall in line with the following, as outlined in the Toronto Communiqué Annex:

- a. Strengthening social safety nets;
- b. Stimulating private spending;
- c. Strengthening corporate governance;
- d. Taking measures to reduce precautionary savings;
- e. Increasing infrastructure spending;
- f. Enhancing exchange rate flexibility

Based on Table 5, G20 member states' 2009 current account balance deficits/surpluses,¹³⁷138 as well as the IMF thematic G20 groupings,¹³⁹ surplus G20 economies – advanced and emerging – are: Canada, France, Germany, Japan, Korea, Argentina, China, and Indonesia.

Scoring Guidelines

-1	Member does not undertake reforms to reduce its reliance on external demand AND fails to initiate reforms for domestic sources of growth.
0	Member announces its intention to undertake reforms to reduce its reliance on external demand OR initiates at least one reform for domestic sources of growth.
+1	Member undertakes reforms to reduce reliance on external demand AND initiates reforms on at least two measures that focus on domestic sources of growth.

Argentina: +1

Argentina has partially complied with its commitment to undertake reforms to reduce their reliance on the external demand and focus more on domestic sources of growth. It has kept public spending high, but has directed infrastructure funds outside the country. Social programs have been increased somewhat but further increases have been denied.

¹³⁷ World Economic and Financial Surveys World Economic Outlook Database
www.imf.org/external/pubs/ft/weo/2010/01/weodata/index.aspx

¹³⁸ Country Composition of WEO Groups
www.imf.org/external/pubs/ft/weo/2009/02/weodata/groups.htm#ae

¹³⁹ G20 Mutual Assessment Process – Alternative Policy Scenarios, International Monetary Fund (Washington) 27 June 2010. Date of Access: 17 October 2010.
www.imf.org/external/np/g20/pdf/062710a.pdf

On 8 July 2010 the Finance Ministry announced that it would be raising the base non-taxable income threshold by 20 per cent.¹⁴⁰

On 13 July 2010 the government of Argentina announced that it will purchase ARS48 billion of railway infrastructure and construction from China over the next two to five years.¹⁴¹

On 28 July 2010, President Cristina Fernández de Kirchner announced a 16.9% increase for all pensions starting from September 2010 that shall bring the overall increase of pensions this year to 26.49%.¹⁴² The president also said that the universal allowance per child will increase by 22.2%, a measure that shall benefit some 3,684,000 children throughout the country.¹⁴³ The increase will be paid from the national pension fund and so does not require parliamentary approval.¹⁴⁴

Moreover, on 5 August 2010 the National Council on the Minimum Wage announced that it would raise the minimum wage of public sector workers 23 per cent by January 2011.¹⁴⁵ Minimum wage will climb from 1,500 pesos to 1,740 in September, and will reach 1,840 by January 2011.¹⁴⁶

On 20 September 2010 the Central Bank ordered that all banks are to provide free bank accounts to citizens.¹⁴⁷

On 14 October 2010 President Kirchner vetoed an opposition bill that would have raised the floor on social security benefits to 82 per cent of the minimum wage.¹⁴⁸

Regarding infrastructure projects, considerable contribution was made towards the development of national transportation system. 650-kilometre Hydro-Way Paraguay-

¹⁴⁰ Boudou anunció un aumento del 20% en el mínimo no imponible, Ministry of Economy (Buenos Aires) 8 July 2010. Date of Access: 20 October 2010. noticias.mecon.gob.ar/?p=1044

¹⁴¹ China Backs \$12 Billion Argentina Rail Projects to Ease Commodity Supplies, (New York) 13 July 2010. Date of Access: 20 October 2010. www.bloomberg.com/news/2010-07-14/china-backs-12-billion-argentina-rail-projects-to-ease-commodity-supplies.html

¹⁴² Calendario de Pagos para Jubilados y Pensionados, Administración Nacional de la Seguridad Social 28 September 2010. Date of Access: 14 October 2010. www.anses.gob.ar/prensa/noticia.php?id=6

¹⁴³ The President announced a 16.9% increase for all pensions, Presidencia de la Nación Argentina 28 July 2010. Date of Access: 12 September 2010.

www.casarosada.gov.ar/index.php?option=com_content&task=view&id=7451&Itemid=66

¹⁴⁴ Cristina anunció el aumento que prevé la ley para los jubilados: 16,9%, La Nación Digital (Buenos Aires) 28 July 2010. Date of Access: 20 October 2010. www.lanacion.com.ar/nota.asp?nota_id=1288973

¹⁴⁵ Palabras de la Presidenta en el Consejo Nacional del Salario Mínimo, Vital y Móvil, Office of the President (Buenos Aires) 5 August 2010. Date of Access: 20 October 2010.

www.casarosada.gov.ar/index.php?option=com_content&task=view&id=7485

¹⁴⁶ Minimum Wage Council agreed with Government the new salary floor, Presidencia de la Nación Argentina 5 August 2010. Date of Access: 18 September 2010.

www.casarosada.gov.ar/index.php?option=com_content&task=view&id=7484&Itemid=66

¹⁴⁷ Argentine banks ordered to open accounts for free, Reuters Thompson (New York) 20 September 2010. Date of Access: 21 October 2010. www.reuters.com/article/idUSN2010951720100921

¹⁴⁸ Argentine president vetoes pension hike law, Reuters Thompson (New York) 14 October 2010. Date of Access: 20 October 2010. www.reuters.com/article/idUSN1410003920101015

Paraná works and riverside path of La Banda city project were initiated, and a bid for extending one of the most important corridors in the country, Road 8 from Pilar to Pergamino was launched. 149,150, 151

Besides, on 9 August 2010, a project of a gas pipeline “Juana Azurduy” aimed at providing gas in North-Eastern provinces of Argentina (Formosa, Chaco, Santiago del Estero, Norte de Santa Fe, Corrientes y Misiones) was launched.152

On 16 September 2010, the Argentine president remarked that “we want to uphold and deepen a model that guarantees e growth of industries and jobs and that can overcome the dichotomy between domestic market and exports.”153

On 21 September 2010, a tender to build 223 new schools was called.154

On 29 September 2010, Cristina Fernández de Kirchner announced a new line of soft credits at fixed and reduced interest rates for small and medium enterprises to be funded by the Central Bank. Soft credits account for ARS182 million as part of a larger ARS1 billion credit line in the framework of the Bicentennial package.155

Argentina addressed national healthcare system by launching new and renovating existing hospitals. National Cancer Institute and “Sagrado Corazón” hospital were inaugurated, whereas a bid for expanding the largest public medical center Alejandro Posadas Hospital was announced over the compliance cycle.156, 157, 158

¹⁴⁹ The President signs a contract for works in River Paraná for US\$ 112.5 Mln, Presidencia de la Nación Argentina 31 August 2010. Date of Access: 21 September 2010.

www.caserosada.gov.ar/index.php?option=com_content&task=view&id=7573&Itemid=66

¹⁵⁰ Discurso de la Presidenta en La Banda, Santiago del Estero, Presidencia de la Nación Argentina 24 July 2010. Date of Access: 15 September 2010.

www.caserosada.gov.ar/index.php?option=com_content&task=view&id=7433

¹⁵¹ Palabras de la Presidenta en acto de licitación de la autovía Pilar - Pergamino, Presidencia de la Nación Argentina 20 July 2010. Date of Access: 21 September 2010.

www.caserosada.gov.ar/index.php?option=com_content&task=view&id=7418

¹⁵² Firma de contrato del gasoducto Juana Azurduy y la traza del Gasoducto del Noreste (GNEA), Ministerio de Planificación Federal, Inversión Pública y Servicios 9 August 2010. Date of Access: 12 September 2010. www.minplan.gov.ar/html/prensa/novedades.php?novedad=78400

¹⁵³ Conferencia de prensa del ministro Economía, Amado Boudou, en Casa Rosada, Presidencia de la Nación Argentina 8 July 2010. Date of Access: 15 September 2010.

www.caserosada.gov.ar/index.php?option=com_content&task=view&id=7627&Itemid=66

¹⁵⁴ Cristina Fernández: We shall keep on taking the necessary measures to safeguard Argentine work and companies, Presidencia de la Nación Argentina 16 September 2010. Date of Access: 12 October 2010.

www.caserosada.gov.ar/index.php?option=com_content&task=view&id=7644&Itemid=66

¹⁵⁵ President announced new soft credits for small and medium enterprises, Presidencia de la Nación Argentina 29 September 2010. Date of Access: 14 October 2010.

www.caserosada.gov.ar/index.php?option=com_content&task=view&id=7673&Itemid=66

¹⁵⁶ President attended inauguration of National Cancer Institute, Presidencia de la Nación Argentina 10 September 2010. Date of Access: 15 September 2010.

www.caserosada.gov.ar/index.php?option=com_content&task=view&id=7609&Itemid=1

¹⁵⁷ The President led the inauguration of a Health Center of the Labour Union of Commerce, Presidencia de la Nación Argentina 9 August 2010. Date of Access: 20 September 2010.

www.caserosada.gov.ar/index.php?option=com_content&task=view&id=7493&Itemid=66

On 12 July 2010, Argentine Planning Minister Julio de Vido signed a contract to purchase 279 train coaches from Chinese Citic Corporation aimed at renewing Buenos Aires underground facilities.¹⁵⁹ On 8 July 2010, Julio de Vido signed an agreement to establish the first national recycling plant in la Matanza, targeted at generating energy out of garbage. The project is due to be finished by September, 2012.¹⁶⁰

On 29 July 2010, Cristina Fernández de Kirchner initiated seven credit lines targeted at financing national projects in the area of energy, telecommunications, educational infrastructure and regional development.¹⁶¹

On 25 August 2010, a new agreement between the United Steel Workers Union (UOM) and the Sectorial Council of Permanent Training for the steel industry was signed. The agreement is aimed at providing training to workers and recovering jobs.¹⁶²

Argentina has made prominent contribution towards reducing its reliance on exports and strengthening domestic sources of growth via implementing both systemic and non-systemic measures. Thus, it is awarded a score of +1.

Analyst: Robin Elliott & Polina Arkhipova

China: +1

China has fully complied with its commitment to undertake reforms to reduce its reliance on the external demand and focus more on domestic sources of growth. China has increased infrastructure and social spending but continues to resist full exchange rate flexibility.

On 19 June 2010, the People's Bank of China announced that the Renminbi would be allowed to trade more freely against the US dollar.¹⁶³ The US President Barack Obama stated that Obama the move is a “constructive step that can help safeguard the recovery and contribute to a more balanced global economy.”¹⁶⁴

¹⁵⁸ Cristina Fernández opened bids for expanding facilities of Posadas Hospital, Presidencia de la Nación Argentina 7 July 2010. Date of Access: 15 September 2010.

www.casarsada.gov.ar/index.php?option=com_content&task=view&id=7382&Itemid=66

¹⁵⁹ De Vido visitó en Beijing la fábrica china de subtes "Citic Corporation", Ministerio de Planificación Federal, Inversión Pública y Servicios 12 July 2010. Date of Access: 12 September 2010.

www.minplan.gov.ar/html/prensa/novedades.php?novedad=76176

¹⁶⁰ Construirán en la Matanza centro transformador de residuos en energía, Ministerio de Planificación Federal, Inversión Pública y Servicios 8 July 2010. Date of Access: 12 September 2010.

www.minplan.gov.ar/html/prensa/novedades.php?novedad=75625

¹⁶¹ Adhesión al Convenio Constitutivo de la Corporación Andina de Fomento y Firma de Contratos de Préstamo, Ministerio de Economía y Finanzas Públicas de la República Argentina (MECON) 29 July 2010. Date of Access: 17 September 2010. noticias.mecon.gov.ar/?p=1098

¹⁶² The President signed training agreement with United Steel Workers Union, Presidencia de la Nación Argentina 25 August 2010. Date of Access: 15 September 2010.

www.casarsada.gov.ar/index.php?option=com_content&task=view&id=7549&Itemid=66

¹⁶³ China takes baby steps toward a free-floating yuan, CNN News (New York) 21 June 2010. Date of Access 20 October 2010. money.cnn.com/2010/06/19/news/economy/china_exchange_rate/index.htm

¹⁶⁴ China takes baby steps toward a free-floating yuan, 21 June 2010. Date of Access 20 October 2010. money.cnn.com/2010/06/19/news/economy/china_exchange_rate/index.htm

On 6 July 2010, the National Development and Reform Commission announced RMB660 billion in new infrastructure spending.¹⁶⁵ At the same time it extended a tax increase on income from natural resources from the Xinjiang Uyghur Autonomous Region to all western provinces.¹⁶⁶

On 19 August 2010, the People's Bank of China began to allow the Renmibi to trade against the Malaysian Ringgit, bringing the total number of currencies that the Yuan trades against to six.¹⁶⁷

At the recent IMF meeting between 8 — 10 October 2010, PBOC Governor Zhou Xiaochuan reinforced his government's position that any move to a fully floating yuan will be gradual.¹⁶⁸

On 27 July 2010, Finance Minister Xie Xuren stated that China would continue the moderately expansive monetary policy it had adopted in the wake of the 2008 financial crisis.¹⁶⁹

On 28 July 2010, the Beijing Health Bureau said in a statement that the funding for each rural resident will rise to CNY520 from CNY320. The change will cost the government nearly CNY2 billion and ensure the medical needs of the 3 million rural residents around the capital will be better met.¹⁷⁰

On 8 August 2010, the Government of Xinjiang Uyghur Autonomous Region announced social security and welfare payments to residents of Xinjiang totaling over RMB1 billion.¹⁷¹

On 1 September 2010, Chinese government announced guidelines designed to boost the development of home services industry across the country, vowing financial support and tax cuts.¹⁷²

¹⁶⁵ Resource tax set to boost local economy, Xinhuanet News Agency (Beijing) 9 July 2010. Date of Access 21 October 2010. news.xinhuanet.com/english2010/indepth/2010-07/09/c_13391661.htm

¹⁶⁶ Resource tax set to boost local economy, Xinhuanet News Agency (Beijing) 9 July 2010. Date of Access 21 October 2010. news.xinhuanet.com/english2010/indepth/2010-07/09/c_13391661.htm

¹⁶⁷ China to start yuan-ringgit trading on Thursday, Reuters Thomson (New York) 18 August 2010. Date of Access 20 October 2010. www.reuters.com/article/idUSBJD00006720100818

¹⁶⁸ Currency tensions to continue, China Daily (Beijing) 12 October 2010. Date of Access: 21 October 2010. www.chinadaily.com.cn/bizchina/2010-10/12/content_11397991.htm

¹⁶⁹ China to continue proactive fiscal policy in H2: Finance Minister, Xinhuanet News Agency (Beijing) 27 July 2010. Date of Access 20 October 2010. news.xinhuanet.com/english2010/china/2010-07/27/c_13417500.htm

¹⁷⁰ Gov't Finds 2 bln Yuan for Health Care, China Daily News Agency 28 July 2010. Date of Access: 29 July 2010. www.china.org.cn/china/2010-07/29/content_20599092.htm

¹⁷¹ Billions to be handed out in aid across Xinjiang, Xinhuanet News Agency (Beijing) 8 August 2010. Date of Access: 21 October 2010. news.xinhuanet.com/english2010/china/2010-08/02/c_13425989.htm

¹⁷² China to Advance Home Services Industry Development, State Xinhua News Agency 1 September 2010. Date of Access: 2 September 2010. www.bjreview.com/headline/txt/2010-09/02/content_295661.htm

On 1 October 2010, the state news agency Xinhua stated China has launched a search for domestic sources of potash to ensure stable supplies of the mineral used in fertilizer. The Ministry of Land and Resources plans to spend CNY100 million to look for potash in China through 2010 to 2015.¹⁷³

On 5 October 2010, at the Nobel Forum in Karolinska Institute, Minister of Public Health of China Chen Zhu said: “Five priorities have been set in rural health care reform. A total of USD125 billion will be invested by the Chinese government over the next 3 years. About 90 percent of the urban and rural medical aid shall be covered.”¹⁷⁴

On 5 October 2010, at the two-day eighth Asia-Europe Meeting (ASEM) Summit in Brussels Chinese Premier Wen Jiabao said China would further reform its formation mechanism of the yuan exchange rate to increase the currency’s flexibility. China’s central bank announced on June 19 a series of steps of reforms. However, the Chinese currency has so far strengthened by about 2 percent against the U.S. dollar from 19 June.¹⁷⁵

On 19 October 2010, China’s top political advisor ensured the targets of the 12th five-year national development plan, starting in 2011. At the meeting of the Central Committee of the Communist Party of China (CPC), the CPC outlined the key objectives of the 12th five-year plan, which included driving economic growth higher via facilitating domestic demand and achieving a more equal income distribution.¹⁷⁶

On 20 October 2010, the PBOC raised its benchmark interest rate by twenty-five basis points.¹⁷⁷ This measure will reduce private spending and increase incentives towards domestic savings.

With respect to reducing their reliance on external demand, on 19 August 2010, the State Council issued a scheme on the division of work when implementing the Opinions of the State Council on Further Facilitating the Utilization of Foreign Capital. According to the scheme, China will amend the Catalogue for the Guidance of Foreign Investment Industries according to the new requirements and economic development demands. It will expand the fields that can be opened to foreign investment. In the meantime, China is encouraging foreign investments in high-end manufacturing, hi-tech industries, the

¹⁷³ China Launching Search for Domestic Potash Sources, the Seattle Times Company 7 October 2010. Date of Access: 7 October 2010.

seattletimes.nwsourc.com/html/business/technology/2013103960_apaschinapotash.html

¹⁷⁴ Great Progress Made in China's Rural Medical Reform, Chinese Government's Official Web Portal 5 October 2010. Date of Access: 6 October 2010. www.gov.cn/misc/2010-10/06/content_1716109.htm

¹⁷⁵ Great Progress Made in China's Rural Medical Reform, Chinese Government's Official Web Portal 5 October 2010. Date of Access: 6 October 2010. www.gov.cn/misc/2010-10/06/content_1716109.htm

¹⁷⁶ Chinese state agencies take steps to prepare for 12th five-year plan, State Xinhua News Agency 21 October 2010. Date of Access: 19 October 2010. news.xinhuanet.com/english2010/china/2010-10/21/c_13567299.htm

¹⁷⁷ China central bank raises deposit rate by 0.25 percentage points, Xinhuanet News Agency (Beijing)20 October 2010. Date of Access 21 October 2010. news.xinhuanet.com/english2010/business/2010-10/19/c_13565108.htm

modern service industry, new energy, energy-conservation and environmentally friendly industries.¹⁷⁸

China has thus complied fully with its commitment because it has increased infrastructure and social spending even though it continues to resist full exchange rate flexibility. China registers a score of +1 for full compliance.

Analysts: Robin Elliott & Svetlana Nikitina

Germany: 0

Germany has partially complied with its commitment to undertake reforms to reduce their reliance on the external demand and focus more on domestic sources of growth. Its austerity measures will reduce domestic demand.

On 7 June 2010 the Finance Ministry presented a fiscal consolidation package that aims to save EUR80 billion over four years. Savings will come in the form of cuts to social programs and some new taxes.¹⁷⁹

On 23 August 2010 the Minister of Defense announced its intention to cut armed forces spending by EUR8.4 billion under Austerity Package that aims to reduce structural deficit.¹⁸⁰

On 14 September 2010 the German financial ministry presented a draft of the federal budget for the year 2011. According to the document, Germany is planning to increase budgetary expenditures for education and research as well as expenditures for family support.¹⁸¹

On 22 September 2010 the German cabinet approved a proposed healthcare reform.¹⁸² If passed, the reforms will raise premiums from 14.9 per cent of workers' gross pay to 15.5 per cent, as well as cut spending on hospitals, doctors, medicine and administration.¹⁸³

¹⁷⁸ Guiding Overseas Investment, China's National English News Agency 19 August 2010. Date of Access 6 September 2010. www.bjreview.com/business/txt/2010-09/06/content_296583.htm

¹⁷⁹ Germany's austerity package and the federal budget, Deutsche Bank Research (Frankfurt) 21 July 2010. Date of Access: 21 October 2010. www.dbresearch.com/PROD/DBR_INTERNET_EN-PROD/PROD000000000260432.pdf

¹⁸⁰ Bundeswehr faces biggest shake-up in its history, Deutsche Welle (Bonn) 23 August 2010. Date of Access: October 20, 2010. www.dw-world.de/dw/article/0,,5934547,00.html

¹⁸¹ Bundestag debattiert über Bundeshaushalt 2011, Bundesfinanzministerium 14 September 2010. Date of Access: 30 October 2010.

www.bundesfinanzministerium.de/nn_53848/DE/Wirtschaft_und_Verwaltung/Finanz_und_Wirtschaftspolitik/Bundeshaushalt/Bundeshaushalt_2011/20100914-BHH.html?__nnn=true.

¹⁸² Merkel's Cabinet Raises Health-Care Premiums to Plug Deficit, Bloomberg (New York) 22 September 2010. Date of Access: 21 October 2010. www.bloomberg.com/news/2010-09-22/merkel-s-cabinet-raises-health-care-premiums-as-employers-unions-complain.html

¹⁸³ Merkel's Cabinet Raises Health-Care Premiums to Plug Deficit, Bloomberg (New York) 22 September 2010. Date of Access: 21 October 2010. www.bloomberg.com/news/2010-09-22/merkel-s-cabinet-raises-health-care-premiums-as-employers-unions-complain.html

On 26 September 2010 the Ruling Coalition approved a EUR5 monthly increase in welfare payments for the long-term unemployed, and a proposed EUR100 million to improve education for children of welfare recipients.¹⁸⁴

On 28 September 2010 Chancellor Angela Merkel pointed at an urgent need of strengthening of state policy, aimed at an increasing employment, first of all the employment of single mothers, aged unemployed and young people. In this regard, the Chancellor called on enterprises to hire this category of unemployed primarily. Angela Merkel underlined that these measures should help address the challenges, caused by demographical crisis. The government also pledged to take measures to simplify the recognition of foreign specialists' diplomas.¹⁸⁵ According to the press release of the German government of 8 October 2010, it implemented a reform on regulation of long term unemployed who receive unemployment benefits (Arbeitslosengeld II). The reform is aimed at creation of new incentives to work and therefore at reduction of unemployment in Germany.

The reform addresses revenues from a part-time job that an unemployed can receive while receiving Arbeitslosengeld II. The job income will be debited from the Arbeitslosengeld II according to a new formula that leaves a certain amount of the additional revenue untouched. If an unemployed person's revenue amounts from 100 to 1000 euros, 20% of this sum can be untouched. If the revenues amount 1000-1200 euros, 10% of the sum can be untouched. Moreover, the first 100 euros of the revenue the unemployed can keep at his/her disposal.¹⁸⁶

On 28 September 2010 German government adopted National Energy Strategy until 2050.¹⁸⁷ The strategy provides that to the year 2050 the share of the renewable energy in the German energy mix will amount 80%. That should decrease the reliance of Germany on fossil fuel energy sources. Moreover the government expects that the new strategy will provide incentives for new job creation and new technology development. These all are factors to boost economic growth.¹⁸⁸

During the monitoring period Germany has undertaken some measures to focus more on domestic sources of growth but no actions to reduce reliance on external demand have been registered. Thus, Germany is assigned a score of 0.

Analysts: Robin Elliott & Irina Grechukhina

¹⁸⁴ Merkel's coalition approves minimal hike to welfare payments, Deutsche Welle (Bonn) 26 September 2010. Date of Access: 21 October 2010. www.dw-world.de/dw/article/0,,6046359,00.html

¹⁸⁵ Nachhaltiges Wachstum braucht neue Strukturen, Bundesregierung 28 September 2010. Date of Access: 15 October 2010.

www.bundesregierung.de/nn_1272/Content/DE/Artikel/2010/09/2010-09-28-bk-bdi.html.

¹⁸⁶ Arbeit lohnt sich, Bundesregierung 8 October 2010. Date of Access: 15 October 2010.

www.bundesregierung.de/nn_1272/Content/DE/Artikel/2010/10/2010-10-08-zuverdienstgrenzen.html.

¹⁸⁷ Bundestag stimmt Energiekonzept 2050 zu, Bundesregierung 28 October 2010. Date of Access: 30 October 2010.

www.bundesregierung.de/nn_774/Content/DE/Artikel/2010/10/2010-10-01-energiekonzept-bt.html.

¹⁸⁸ Energiekonzept für eine umweltschonende, zuverlässige und bezahlbare Energieversorgung, Federal Ministry of Economics and Technology 28 September 2010. Date of Access: 30 October 2010.

www.bmwi.de/BMWi/Navigation/Energie/Energiepolitik/energiekonzept,did=360932.html.

Indonesia: 0

Indonesia is has partially complied with its commitment to undertake reforms to reduce their reliance on the external demand and focus more on domestic sources of growth. Indonesia has increased public spending in some areas but has made cuts elsewhere and has neither made progress in corporate governance nor improved social safety nets.

On 17 August 2010 the Finance Ministry tabled a proposed 2011 budget. The budget plans increased infrastructure spending, slightly higher taxes, and a cut in subsidies in the next year. Civil servant salaries will rise approximately 10 per cent. The 2011 economic growth target is 6.7 per cent, which is slightly higher than the 5.3 per cent expected rate of inflation.¹⁸⁹

The 17 August 2010 budget called for an increase in the electricity rate of 15 per cent in 2011.¹⁹⁰ However, on 25 September 2010, the government gave up this plan after pressure from legislators in the House of Representatives.¹⁹¹

On 7 October 2010 the Finance Ministry added IDR8.6 trillion to the 2011 budget for infrastructure development and energy subsidies.¹⁹²

On 11 October 2010 Coordinating Economics Minister announced that the government would limit subsidized fuel consumption in 2011.¹⁹³

On 21 October 2010, the President called for all government departments and state institutions to cut their budgets by 10 per cent in 2011.¹⁹⁴

¹⁸⁹ Finance Minister: Inflation of 5.3 % is a Challenge, Ministry of Finance (Jakarta) 22 September 2010. Date of Access: 22 October 2010.

www.depkeu.go.id/Eng/Read/?type=ixNews&id=17156&thn=2010&name=Nw220910_01.htm
¹⁹⁰ The government Plans to Increase Electricity Rate by 15% in the Beginning of 2011, Ministry of Finance (Jakarta) 18 August 2010. Date of Access: 22 October 2010.

www.depkeu.go.id/Eng/Read/?type=ixNews&id=16908&thn=2010&name=Nw180810_02.htm
¹⁹¹ No Electricity Rate Hike as Indonesian Government Gives In, (Jakarta, Indonesia) 25 September 2010. Date of Access: 22 October 2010. www.thejakartaglobe.com/home/no-electricity-rate-hike-as-indonesian-government-gives-in/398019

¹⁹² 2011 Budget Deficit Raised to Support Subsidies, (Jakarta, Indonesia) 7 October 2010. Date of Access: 22 October 2010. www.thejakartaglobe.com/bisindonesia/2011-budget-deficit-raised-to-support-subsidies/400164

¹⁹³ Indonesia to limit subsidised fuel consumption in 2011, Reuters (New York) 11 October 2010. Date Accessed: 22 October 2010. af.reuters.com/article/energyOilNews/idAFJKB00402620101011

¹⁹⁴ Presiden Meminta Kementerian dan Lembaga Negara Lakukan Efisiensi Anggaran, Office of the President (Jakarta) 21 October 2010. Date of Access: October 22, 2010. www.presidentri.go.id/index.php/fokus/2010/10/21/5995.html

While the Indonesian government is committed to substantial public spending, most of this is spent on fuel and energy subsidies rather than infrastructure or social program improvements, and this trend continues in the 2011 budget. Despite announcements of future programs, none have yet been enacted. Corporate governance reform has not taken place, social security remains underdeveloped, and cuts to government budgets are a contradictory step. Thus, Indonesia is awarded a score of 0.

Analyst: Robin Elliott

Japan: +1

Japan has fully complied with its commitment to undertake reforms to reduce their reliance on the external demand and focus more on domestic sources of growth. Japan has increased spending aimed at fostering domestic demand but has maintained a focus on its exports and the manipulation of its exchange rate.

On 18 June 2010 the Prime Minister's office released the New Growth Strategy which details broad policy goals and paths aimed at restoring economic prosperity to the nation over the next ten years.¹⁹⁵ The New Growth Strategy aims to achieve nominal and real growth in excess of 3 per cent and 2 per cent by 2020, return consumer prices to positive increase in FY2011, and lower the unemployment rate to 3-4 per cent at an early time while focusing on creating new demand and new jobs.¹⁹⁶ On 22 June 2010 the PMO unveiled a Fiscal Management Strategy in which it outlined the goal of halving the deficit by 2015 and reaching a primary surplus by 2020. It also outlined broad-level medium-term fiscal goals.¹⁹⁷

On 6 July 2010 the PMO released a report entitled 21 National Strategic Projects for Revitalization of Japan for the 21st century.¹⁹⁸ This report addresses reform in all major aspects of Japanese economy and society. One of the measures proposes to boost growth through the supply side policy measures by enhancing science and technology sectors, employment and human resources, and the financial sector.¹⁹⁹

¹⁹⁵ New Growth Strategy - Strong Economy, Robust Public Finances & Strong Social Security System, National Policy Unit (Tokyo) 18 June 2010. Date Accessed: 20 October 2010.
www.npu.go.jp/policy/policy04/pdf/20100618_shinseityou_gaiyou_eigo.pdf

¹⁹⁶ New Growth Strategy - Strong Economy, Robust Public Finances & Strong Social Security System, National Policy Unit (Tokyo, Japan) 18 June 2010. Date Accessed: 20 October 2010.
www.npu.go.jp/policy/policy04/pdf/20100618_shinseityou_gaiyou_eigo.pdf

¹⁹⁷ Fiscal Management Strategy (Executive Summary) - For the Security and Hope of the People, National Policy Unit (Tokyo, Japan) 22 June 2010. Date of Access: 20 October 2010.
www.npu.go.jp/policy/policy01/pdf/20100623/20100622_zaiseiuneisenryaku_gaiyou_eigo.pdf

¹⁹⁸ 21 National Strategic Projects for Revitalization of Japan for the 21st Century, Office of the Prime Minister (Tokyo) 6 July 2010. Date of Access: 20 October 2010.
www.kantei.go.jp/foreign/kan/topics/20100706_21nationalstrategic_e.pdf

¹⁹⁹ 21 National Strategic Projects for Revitalization of Japan for the 21st Century, Office of the Prime Minister (Tokyo) 6 July 2010. Date of Access: 20 October 2010.
www.kantei.go.jp/foreign/kan/topics/20100706_21nationalstrategic_e.pdf

On 30 August 2010 the PMO released a document entitled Basic Policy for a New Economic Stimulus Package, which outlined the priorities and goals of economic stimulus.²⁰⁰

On 11 September 2010 the Prime Minister announced a new, modest stimulus package, proposing the spending of JPY915 billion from various reserve accounts.²⁰¹ Prime Minister Kan also called upon the Bank of Japan to intervene in the currency markets if the Yen should become too strong.²⁰² On 14 September 2010 the Bank of Japan intervened in the foreign exchange markets to weaken the yen.²⁰³

On 1 October 2010, Prime Minister Naoto Kan highlighted a set of systemic measures to achieve economic growth and push domestic demand. First of all, Japan's Government will stimulate employment in the areas of medical care, nursing care, services related to childrearing, and the environment, which is expected to result in higher incomes and social stability. Building a reliable social security is another pillar of the growth strategy, and the prime minister stressed that early reforms were essential.²⁰⁴ This policy direction was reiterated by finance minister Yoshihiko Noda at the Joint Annual Discussion of the IMF and World Bank on 8 October 2010.²⁰⁵

To stimulate domestic economic activity the Bank of Japan decided on 5 October 2010 to maintain the virtually zero interest rate policy and encourage the decline in longer-term interest rates to further enhance monetary easing.²⁰⁶ On 31 August 2010, the Bank of Japan introduced its Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth. The Bank announced that it would provide a total of JPY462.5 billion in the first loan disbursement,²⁰⁷ and primarily support domestic

²⁰⁰ Basic Policy for a New Economic Stimulus Package, Office of the Prime Minister (Tokyo) 30 August 2010. Date of Access: 21 October 2010. www.kantei.go.jp/foreign/kan/topics/20100830kihonhousin_e.pdf

²⁰¹ ¥915 billion stimulus package unveiled, Japan Times (Tokyo) 11 September 2010. Date of Access: 25 October 2010. search.japantimes.co.jp/cgi-bin/nb20100911a3.html

²⁰² ¥915 billion stimulus package unveiled, Japan Times (Tokyo) 11 September 2010. Date of Access: 25 October 2010. search.japantimes.co.jp/cgi-bin/nb20100911a3.html

²⁰³ The Prime Minister Attends the General Assembly of the Regular Members of the Japan Chamber of Commerce and Industry (JCCI), Office of the Prime Minister (Tokyo), 16 September 2010. Date of Access: 24 October 2010. www.kantei.go.jp/foreign/kan/actions/201009/16jcci_e.html

²⁰⁴ Policy Speech by Prime Minister Naoto Kan at the 176th Extraordinary Session of the Diet, Prime Minister of Japan and His Cabinet 1 October 2010. Date of access: 11 October 2010. www.kantei.go.jp/foreign/kan/statement/201010/01syosin_e.html

²⁰⁵ Statement by the Hon. Yoshihiko Noda, Governor of the Bank and the Fund for Japan, at the Joint Annual Discussion, Ministry of Finance of Japan. 8 October 2010. Date of access: 12 October 2010. www.mof.go.jp/english/if/wb_imf_101008st.pdf

²⁰⁶ Comprehensive Monetary Easing, Bank of Japan 5 October 2010. Date of access: 14 October 2010. www.boj.or.jp/en/type/release/adhoc10/k101005.pdf

²⁰⁷ Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth, Bank of Japan 1 September 2010. Date of access: 7 September 2010. www.boj.or.jp/en/type/ronbun/rev/rev10e05.htm

market-oriented industries, e.g., environment and energy business, development and upgrading of social infrastructure, etc.²⁰⁸

On 8 October 2010, the Prime Minister proposed an additional JPY5.1 trillion stimulus package.²⁰⁹ The stimulus aims to help local governments and small businesses to cope with the surging yen in order to protect the economic recovery.²¹⁰

Japan has enacted multiple measures and has engaged in long-term strategic planning to boost domestic demand. At the same time, Japan has sanctioned intervention in the currency markets to artificially depress the value of its currency. Therefore, Japan registers a score of +1.

Analysts: Robin Elliott & Ekaterina Maslovskaya

Korea: +1

Korea has fully complied with its commitment to undertake reforms to reduce their reliance on the external demand and focus more on domestic sources of growth. It has continued spending aimed at increasing domestic demand and promoting innovation in the private economy.

On 20 July 2010 the Financial Services Commission announced its “Sunshine Loans” program which aims to extend low-interest loans to people with poor credit and to small businesses. The government plans to extend KRW10 trillion in such loans over the next five years.²¹¹

On 2 August 2010 the President announced increased funding to the government’s Green Growth Support fund to KRW1.1 trillion by 2013, with the aim of incubating 1000 green businesses.²¹²

On 28 August 2010 the Ministry of Land, Transport, and Marine Services extended an existing waiver on home sales tax until the end of 2012.²¹³

²⁰⁸ First New Loan Disbursement under the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth, Bank of Japan 1 September 2010. Date of access: 7 September 2010. www.boj.or.jp/en/type/release/adhoc10/mok1009a.pdf

²⁰⁹ Kan's Cabinet Approves \$62 Billion Stimulus to Protect Japan's Recovery, Bloomberg (New York) 8 October 2010. Date Accessed: 22 October 2010. www.bloomberg.com/news/2010-10-08/kan-s-cabinet-approves-62-billion-japan-stimulus-to-boost-flagging-growth.html

²¹⁰ Kan's Cabinet Approves \$62 Billion Stimulus to Protect Japan's Recovery, Bloomberg (New York) 8 October 2010. Date Accessed: 22 October 2010. www.bloomberg.com/news/2010-10-08/kan-s-cabinet-approves-62-billion-japan-stimulus-to-boost-flagging-growth.html

²¹¹ “Sunshine Loans” for Low-Income Households, Financial Services Commission (Seoul) 20 July 2010. Date of Access 21 October 2010. www.fsc.go.kr/downManager?bbsid=BBS0048&no=68688

²¹² Seoul to incubate 1,000 green businesses by 2013, Office of the President (Seoul) 2 August 2010. Date of Access: 21 October 2010. english.president.go.kr/pre_activity/latest/latest_view.php?uno=3652&board_no=E02&search_key=&search_value=&search_cate_code=&cur_page_no=2

²¹³ S. Korea to Ease Lending Rules to Spur Housing Market, Bloomberg Businessweek (New York) 30 August 2010. Date of Access: 22 October 2010. www.businessweek.com/news/2010-08-30/s-korea-to-ease-lending-rules-to-spur-housing-market.html

On 2 September 2010, the President announced government plans to extend KTX high-speed rail to 80 per cent of the country by 2020.²¹⁴ It is projected that 82 per cent of the country will have access to high speed rail.²¹⁵

On 28 September 2010 the Ministry of Strategy and Finance released its draft budget for 2011, which projects an overall 5.7 per cent increase in spending, but a 10.2 per cent increase in overall tax burden.²¹⁶ The deficit is projected to fall from KRW30.1 trillion to KRW25.3 trillion.²¹⁷ All sectors are scheduled to receive spending increases with the exception of infrastructure which will see a 3.2 per cent cut.²¹⁸ The government also pledged to increase government worker salaries by 5.1 per cent, ending a two-year freeze.²¹⁹

Because the government has continued investment in growing domestic businesses, provided loans to low-income people and liquidity to small businesses, and supported housing purchases without encouraging speculation, Korea is awarded a score of +1.

Analyst: Robin Elliott

Russia: +1

Russia has fully complied with the commitment on macroeconomic policy. Russian Government has made some steps to strengthen social safety nets, including public health care and pension plans, and planned to increase infrastructure spending.

On 1 July 2010, social pensions were increased and indexed at 3.4 per cent. According to the Russian Government this increase benefited 4 million people, including pensioners with the lowest incomes.²²⁰

On 30 September 2010, the Russian Government submitted to the State Duma the draft federal budget for 2011 and two following years. The budget provide for two new

²¹⁴ KTX to be expanded by 2014, Office of the President (Seoul) 2 September 2010. Date of Access: 21 October 2010.

english.president.go.kr/pre_activity/latest/latest_view.php?uno=3772&board_no=E02&search_key=&search_value=&search_cate_code=&cur_page_no=2

²¹⁵ KTX to be expanded by 2014, Office of the President (Seoul) 2 September 2010. Date of Access: 21 October 2010.

english.president.go.kr/pre_activity/latest/latest_view.php?uno=3772&board_no=E02&search_key=&search_value=&search_cate_code=&cur_page_no=2

²¹⁶ 2011 Draft Budget, Ministry of Strategy and Finance (Seoul) 28 September 2010. Date of Access: 21 October 2010. english.mosf.go.kr/

²¹⁷ 2011 Draft Budget, Ministry of Strategy and Finance (Seoul) 28 September 2010. Date of Access: 21 October 2010. english.mosf.go.kr/

²¹⁸ 2011 Draft Budget, Ministry of Strategy and Finance (Seoul) 28 September 2010. Date of Access: 21 October 2010. english.mosf.go.kr/

²¹⁹ 2011 Draft Budget, Ministry of Strategy and Finance (Seoul) 28 September 2010. Date of Access: 21 October 2010. english.mosf.go.kr/

²²⁰ Prime Minister Vladimir Putin chairs a meeting on federal budget spending on the implementation of federal targeted programmes, Prime Minister of Russia 1 July 2010. premier.gov.ru/eng/events/news/11252/.

programs – health service modernisation in the regions and large-scale road construction making use of the road funds.²²¹

On 1 October 2010, the federal targeted program for improving the pharmaceutical industry until 2020 was adopted by the Russian Government. The program provide for allocation of RUB124,8 billion (USD4,2 billion) from the federal budget for technical re-equipment of the industry, the production of essential drugs, the production of innovative domestic pharmaceutical drugs.²²²

On 5 October 2010 the Russian Government announced that, according to estimations of the Ministry of Finance, the budget will receive RUB91 billion in extra revenues in the remaining months of 2010. The Government plans to give extra RUB25 billion to the fund promoting the housing and public utilities reform, RUB40 billion for the implementation of Russian Railways investment projects, RUB11 billion to the establishment of the infrastructure in special economic zones, including the new zone in Togliatti.²²³

During the compliance period Russia has undertaken systemic and non-systemic WTO-compliant measures to reduce its reliance on the external demand and focus more on domestic sources of growth. Thus, it has been awarded a score of +1.

Analyst: Mark Rakhmangulov

Saudi Arabia: 0

Saudi Arabia has partially complied with the G20 commitment on macroeconomic policy, having undertaken measures to reduce its reliance on the external demand and focus more on domestic sources of growth.

On 12 October 2010, the Ministry of Health announced its plan to recruit 3,000 doctors from different countries to strengthen the Kingdom's primary health care system and meet the needs of new hospitals and health centers.²²⁴ This measure is systemic and strengthens domestic sources of growth.

On 15 October 2010, the National Commercial Bank (NCB) dedicated a portfolio of SAR10 million (USD2.67 million) as interest-free loans for young owners of small projects who graduate from NCBs training programs. Through an agreement signed between the NCB and Bab Rizq Jameel Services Company Ltd. (BRJ), the NCB assigned BRJ to manage the portfolio. According to the agreement, the NCB will be responsible for managing costs of loans, while small projects owners will not pay any fees or interests. Abdul Karim Abul Nasr, CEO of the NCB, who signed the agreement with

²²¹ Prime Minister Vladimir Putin chairs a meeting of the Russian Government Presidium, Prime Minister of Russia 30 September 2010. premier.gov.ru/eng/events/news/12379/.

²²² Prime Minister Vladimir Putin meeting with Deputy Minister of Industry and Trade Denis Manturov, Prime Minister of Russia 1 October 2010. premier.gov.ru/eng/events/news/12401/.

²²³ Prime Minister Vladimir Putin holds a meeting of the Government Presidium, Prime Minister of Russia 5 October 2010. premier.gov.ru/eng/events/news/12432/.

²²⁴ Health Ministry to hire 3000 foreign doctors, [alsaudiarabia](http://alsaudiarabia.com), 12 October 2010. Date of access: 24 October 2010. www.alsaudiarabia.com/Health-Ministry-to-hire-3000-foreign-doctors/#more-24020

Mohammed Abdul Latif Jameel, chief job creator at BRJ, said the key objectives of the agreement include expanding the NCBs support to small projects owners, helping them start their small projects and removing obstacles that may limit their success.²²⁵ This measure strengthens domestic sources of growth, but does not evidently reduces Saudi Arabia's reliance on exports.

Thus, the Government of Saudi Arabia has partially complied with the commitment to focus on domestic sources of growth and is awarded with a score of 0.

Analyst: Yuriy Zaytsev

²²⁵ BRJ NCB in accord to assist young Saudi entrepreneurs, [alsaudiarabia](http://alsaudiarabia.com), 15 October. Date of access: 24 October 2010. www.alsaudiarabia.com/BRJ-NCB-in-accord-to-assist-young-Saudi-entrepreneurs/#more-24119

4. Development [20]

Commitment

“We will continue to support development financing, including through new approaches that encourage development financing from both public and private sources.”

The G20 Toronto Summit Declaration

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina		0	
Australia		0	
Brazil		0	
Canada			+1
China		0	
France			+1
Germany			+1
India		0	
Indonesia	-1		
Italy		0	
Japan			+1
Korea		0	
Mexico	-1		
Russia		0	
South Africa	-1		
Saudi Arabia	-1		
Turkey		0	
United Kingdom			+1
United States			+1
European Union			+1
Average Score			+0.15

Background

Official Development Financing

The first part of the commitment implies monitoring provision of development financing through official sources. According to DAC OECD, official development finance include (a) bilateral ODA, (b) grant²²⁶ and concessional and non-concessional development lending by multilateral institutions, (c) other official flows²²⁷ for development purposes (including refinancing loans²²⁸) which have too low a grant element to qualify as ODA.²²⁹

²²⁶ Transfers made in cash, goods or services for which no repayment is required

²²⁷ Transactions by the official sector with countries on the DAC List of ODA Recipients which do not meet the conditions for eligibility as Official Development Assistance, either because they are not primarily aimed at development, or because they have a grant element of less than 25 per cent.

²²⁸ Transfers for which repayment is required. Only loans with maturities of over one year are included in DAC statistics. Data on net loans include the principal (but not payment of interest) on earlier loans. This means that when a loan has been fully repaid, its effect on total net ODA over the life of the loan is zero.

The ODA pledges comprise contributions of donor government agencies at all levels to developing countries from the OECD Development Co-operation Directorate (DAC) List of ODA Recipients (“bilateral ODA”) and to multilateral institutions. According to the Monterrey Consensus that was the outcome of the UN International Conference on Financing for Development held on 22 March 2002 in Monterrey, countries have to achieve the target of 0.7 per cent of GNP for ODA to developing countries by 2015 and to reach the level of at least 0.5 per cent of GNP for ODA by 2010, including the specific target of 0.15 to 0.20 per cent of GNP for ODA to least developed countries.²³⁰

Table 6. DAC List of ODA Recipients. Effective for reporting on 2009 and 2010 flows:²³¹

Least Developed Countries		
Afghanistan	Guinea	Rwanda
Angola	Guinea-Bissau	Samoa
Bangladesh	Haiti	São Tomé & Príncipe
Benin	Kiribati	Senegal
Bhutan	Laos	Sierra Leone
Burkina Faso	Lesotho	Solomon Islands
Burundi	Liberia	Somalia
Cambodia	Madagascar	Sudan
Central African Republic	Malawi	Tanzania
Chad	Maldives	Timor-Leste
Comoros	Mali	Togo
Djibouti	Mauritania	Tuvalu
Equatorial Guinea	Mozambique	Uganda
Eritrea	Myanmar	Vanuatu
Ethiopia	Nepal	Yemen
Gambia	Niger	Zambia
Other Low Income Countries (per capita GNI < USD935 in 2007)		
Côte d’Ivoire	Nigeria	Tajikistan
Ghana	North Korea	Uzbekistan
Kenya	Pakistan	Vietnam
Kyrgyz Republic	Papua New Guinea	Zimbabwe
Lower Middle Income Countries and Territories (per capita GNI USD936-USD3,705 in 2007)		
Albania	Guatemala	Niue
Algeria	Guyana	Palestinian Admin. Terr.

²²⁹ Official Development Finance. DAC Glossary of Key Terms and Concepts.

www.oecd.org/dac/glossary#ODF.

²³⁰ Doha Declaration on Financing for Development: outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus // The official website of the UN. URL: www.un.org/esa/ffd/doha/documents/Doha_Declaration_FFD.pdf (date of access: 25.04.2010).

²³¹ DAC List of ODA Recipients. OECD. www.oecd.org/dataoecd/32/40/43540882.pdf.

Armenia	Honduras	Paraguay
Azerbaijan	India	Peru
Bolivia	Indonesia	Philippines
Bosnia & Herzegovina	Iran	Sri Lanka
Cameroon	Iraq	Swaziland
Cape Verde	Jordan	Syria
China	Kosovo ^d	Thailand
Colombia	Marshall Islands	Tokelau ^a
Congo	Micronesia	Tonga
Ecuador	Moldova	Tunisia
Egypt	Mongolia	Turkmenistan
El Salvador	Morocco	Ukraine
Macedonia	Namibia	Wallis and Futuna ^a
Georgia	Nicaragua	
Upper Middle Income Countries and Territories (per capita GNI USD3,706-USD11,455 in 2007)		
Anguilla ^a	Grenada	Serbia
Antigua and Barbuda ^b	Jamaica	Seychelles
Argentina	Kazakhstan	South Africa
Barbados ^c	Lebanon	St. Helena ^a
Belarus	Libya	
Belize	Malaysia	St. Kitts-Nevis
Botswana	Mauritius	St. Lucia
Brazil	Mayotte ^a	St. Vincent & Grenadines
Chile	Mexico	Suriname
Cook Islands	Montenegro	Trinidad and Tobago ^c
Costa Rica	Montserrat ^a	Turkey
Cuba	Nauru	Uruguay
Dominica	Oman ^b	Venezuela
Fiji	Palau	
Gabon	Panama	

a Territory

b Antigua & Barbuda and Oman exceeded the high income country threshold in 2007. In accordance with the DAC rules for revision of this List, both will graduate from the List in 2011 if they remain high income countries until 2010.

c Barbados and Trinidad & Tobago exceeded the high income country threshold in 2006 and 2007. In accordance with the DAC rules for revision of this List, both will graduate from the List in 2011 if they remain high income countries until 2010.

d This does not imply any legal position of the OECD regarding Kosovo's status.

Innovative Mechanisms for Development Financing

The second part of the commitment assumes tracking on the provision of innovative financing for development. The concept “innovative financing for development” was first

mentioned and introduced at the International Conference on Financing for Development in 2002.²³² The Conference led to what is now called the Monterrey Consensus²³³ where signatories acknowledged “...the value of exploring innovative sources of finance provided that those sources do not unduly burden developing countries.”

The notion of innovative development financing mechanisms designates resources that are provided in addition to Official Development Assistance (ODA). Thus, innovative financing mechanisms emerged at the beginning of the twenty-first century as alternative mechanisms to help bridge the development financing gap. They are closely linked to the idea of global public goods and aimed at correcting the negative effects of globalization.²³⁴ To identify innovative mechanisms for development financing 4 parameters such as uses, sources, mechanisms and instruments, should be considered:

1. Uses: Development finance supports both public and private uses—that is, core public functions of government as well as private initiatives in markets and civil society²³⁵
2. Sources: public and private. Public sources originate from the national tax bases of donor countries that contribute to development assistance through budget outlays. Private sources include private firms that enter into development country markets, for example, to make investment decisions, after assessing profit-making opportunities.
3. Mechanisms: four types of innovative mechanisms are identified based on the sources they tap and the uses they support. (a) Private mechanisms involve private flows in the market and in civil society; (b) Solidarity mechanisms support public-to-public or sovereign-to-sovereign transfers and form the backbone of multilateral and bilateral ODA and other official flows (OOF). (c) Public-private partnership mechanisms use public funds to leverage or mobilize private finance in support of public service delivery and other public functions, such as risk management. (d) Catalytic mechanisms involve public support for creating and developing private markets (inter alia by reducing risks of private entry). It is important to note that three of these mechanisms—solidarity, PPP, and catalytic—depend on official flows (primarily ODA), which they either mobilize or deploy in support of country and global efforts using a wide range of financial instruments.²³⁶
4. Instruments: Innovations take place within each of these mechanisms through “financial engineering” efforts that employ a range of financial instruments, products, and services. The instrument array used by development financiers includes cash

²³² International Conference on Financing for Development. Monterrey, Mexico, 18-22 March 2002. URL: www.un.org/esa/ffd/ffdconf/

²³³ Monterrey Consensus on Financing for Development // International Conference on Financing for Development. Monterrey, Mexico, 18-22 March 2002. URL: www.un.org/esa/ffd/monterrey/MonterreyConsensus.pdf

²³⁴ Innovative financing for development at a glance // Leading Group on Innovative Financing for Development. URL: www.leadinggroup.org/rubrique176.html#outil_sommaire_1

²³⁵ World Bank, World Development Reports 1997, 2004, and 2005.

²³⁶ Policy Research Working Paper. The World Bank. November, 2009. URL:

www-wds.worldbank.org/external/default/WDSContentServer/IW3P/IB/2009/11/03/000158349_20091103112908/Rendered/PDF/WPS5111.pdf

instruments (such as grants, loans, and securities), contingent financing, risk mitigation instruments (such as guarantees, swaps, hedging products, derivatives, and insurance pools), and advisory services.

Financial engineering approaches can be used to:

1. Transform the flow of ODA or investor funds to better correspond to the timing of actual development needs (e.g., through frontloading long-term ODA grants for immediate use (IFFIm)) and to help countries address various types of risks (e.g., through gross domestic product (GDP), commodity price or inflation-indexed bonds; MDG contracts providing countercyclical loan flows; indexed/parametric or catastrophic risk insurance; local currency bonds and currency swaps).
2. Increase the concessionality of flows through approaches that facilitate funding—whether from private investors (e.g., impact investments), governments or foundations (e.g., blending arrangements transforming loans to grants)—at costs lower than market rates.

Thus, intrinsic financial novelty is not necessarily what makes these mechanisms and instruments innovative. Rather, innovative mechanisms and instruments are those that depart from traditional approaches to mobilizing development finance—that is, through budget outlays from established sovereign donors or bonds issued by multilateral and national development banks exclusively to achieve funding objectives. They are also those that break from traditional approaches to delivering development finance—that is, through grants and loans.²³⁷

Table 7. A Snapshot of the International Innovative Finance Landscape

²³⁷ Policy Research Working Paper. The World Bank. November, 2009. URL: www-wds.worldbank.org/external/default/WDSContentServer/IW3P/IB/2009/11/03/000158349_20091103112908/Rendered/PDF/WPS5111.pdf

	Fundraising	Financial Solutions
Traditional	<ul style="list-style-type: none"> • ODA financed by budget outlays from developed countries • Some private flows 	<ul style="list-style-type: none"> • Transfers (cash or contingent) to public entities
Innovative	<ul style="list-style-type: none"> • Solidarity mechanisms • ODA financed by budget outlays • from emerging sovereign donors • Global solidarity levies (such as • airline ticket tax, Adaptation Fund) • National lotteries • Stolen Asset Recovery • Public-private partnership mechanisms • Joint financing with private donors • New bonds (those in local currencies or those targeting sustainable investors) • Sovereign catastrophe risk (incl. derivatives, currency swaps) • Frontloading ODA • Catalytic mechanisms • Carbon funds 	<ul style="list-style-type: none"> • Solidarity mechanisms • Counter-cyclical lending • Debt swaps for results • Public-private partnership mechanisms • Private participation in social sectors and infrastructure (incl. through guarantees, OBA) • Sovereign catastrophe risk finance (through derivative and hedging, deferred drawdown options or DDOs) • Catalytic mechanisms • Leveraging private investment in the financial and productive sectors (through local currency lending, guarantees, risk-sharing facilities) • Creating private insurance markets (through insurance pools and DDOs) • Advance market commitments • Co-payment schemes

Source: Policy Research Working Paper. The World Bank. November, 2009

The list of innovative development financing mechanisms is not closed. Some of innovative development financing mechanisms are listed below.

International solidarity levy on air tickets is a major source alongside the Gates Foundation to finance the UNITAID budget. A solidarity contribution levied on air tickets provide almost a half the available funding. This is already applied in 11 countries and it has enabled France for example to generate an extra EUR160 million in conventional aid. This contribution, which is levied on the airline ticket prices charged to passengers taking off from airports in the territories of the countries implementing the scheme, has had no effect on air traffic and provides a stable source of finance. The contributions levied at national level are then coordinated internationally for allocation, for the most part, to the UNITAID international purchasing facility. Promotion of the tax on air tickets remains a priority for the Leading Group on Innovative Financing for Development, which launched in Conakry a task force of African countries to convince

the greatest number of States on the continent to implement this solidarity levy in accordance with their own characteristics.

The IFFIm (the International Finance Facility for Immunization) is a large-scale pre-financing mechanism which is funded by government-guaranteed bonds issued on international capital markets. It guarantees that close to EUR4 billion will be raised over 20 years to undertake far-reaching immunisation projects. The funds, guaranteed by donors, are provided by private investors on financial markets. The funds raised are used to establish the most urgently needed immunization programmes in the poorest countries.²³⁸

Advance Market Commitments are an innovative solution to address shortcomings in the pharmaceutical market with regard to the poorest countries. Contractual partnerships between donors and pharmaceutical companies aim to ensure research on neglected diseases and once research is completed the distribution of medicines on the market at affordable prices for recipient countries. Since up until now there has not been solvent and predictable demand, pharmaceutical companies have focused their research on diseases affecting the richest countries: over 80% of medical research is on diseases affecting less than 20% of the world's population. Over 800,000 children under 5 die every year from the pneumococcal virus even though very advanced research has been conducted. A pilot project of advanced market commitments has been implemented to correct these problems in pharmaceutical markets (Advanced Market Commitments, AMC).²³⁹

International Financial Transactions Tax is not officially adopted new mechanism for development financing. The idea of this mechanism was suggested by Mr Nicolas Sarkozy at the UN Conference on climate change in Copenhagen.²⁴⁰ The mechanism is also highly supported by developing countries represented on the Leading Group for Solidarity Levies.

Massive Good is a new fundraising project enabling travellers to contribute to development. Thanks to Massive good, the flagship project of the Millennium Foundation, travellers can make “mini-donations” of USD2, GBP2 or EUR2 to support health-related initiatives whenever they purchase airline tickets, book hotel accommodations or rent a car on the Internet. Created in partnership with the global airline reservation and ticketing systems Sabre, Galileo, and Amadeus, the goal of Massive good is to raise one billion dollars in additional healthcare funds within the first four years. The donations collected will be disbursed to UNITAID, an international purchasing facility whose mission is to combat major pandemics. These additional funds will be used to improve maternal and infant health in developing countries. Massive good

²³⁸ International Finance Facility for Immunization (IFFIm) // Leading Group on Innovative Financing for Development. URL: www.leadinggroup.org/rubrique179.html

²³⁹ Advance Market Commitments // Leading Group on Innovative Financing for Development. URL: www.leadinggroup.org/rubrique178.html

²⁴⁰ International Financial Transactions // Leading Group on Innovative Financing for Development. URL: www.leadinggroup.org/rubrique113.html

will not be launched in countries that have already adopted an airline ticket tax or begun a legislative process to this end.²⁴¹

Digital Solidarity is an innovative financing mechanism geared towards solidarity in the area of digital divide. The mechanism is supported and promoted by Global Digital Solidarity Fund through the “1% digital solidarity” principle. The principle assumes inclusion of a digital solidarity clause in all calls for bids for goods or services related to information and communication technologies (ICTs). The clause states that suppliers responding these calls for bids undertake to donate 1% of the contract value, deducted from their profit margin, to the Global Digital Solidarity Fund (DSF).²⁴²

Education. On 17 June 2010 the Taskforce on Education and Innovative Financing has elaborated concrete proposals that might help mobilize supplementary resources, in addition to Official Development Assistance for the education sector.²⁴³ The following main areas were considered:

- a sports tax (soccer levy) that could be based on transfers of footballers/soccer players in various major championships in Europe and other regions where football is the dominant sport, or on live television broadcasts of major football events such as the FIFA World Cup;
- voluntary contribution mechanisms relating to migrants’ remittances;
- public-private partnerships (PPPs). These partnerships, which have developed for some twenty years, can be adapted to the education sector.

Risk mitigation guarantees. Trade financing and insurance can create the risk of “moral hazard” where insurance or other public guarantees distort the behaviour of economic agents, prompting them to take excessive risks on the basis that any direct losses or negative externalities will be socialised through public intervention. As a result, the provision of insurance and guarantees from developed country trade and investment partners might remove some of the urgency to enact policies conducive to a better investment climate in host developing countries.

In this connection, the International Finance Corporation (IFC) of the World Bank Group has set up the Global Trade Finance Programme (GTFP) to provide partial or full guarantees covering payments risk on banks in emerging markets for trade-related transactions. These guarantees are transaction-specific and involve a variety of underlying instruments: letters of credit, trade-related promissory notes, accepted drafts, bills of exchange, guarantees, bid and performance bonds and advance payment guarantees. Through the GTFP bank network, local financial institutions can establish working partnerships with the many major international banks participating in the

²⁴¹ Voluntary Solidarity Contributions // Leading Group on Innovative Financing for Development. URL: www.leadinggroup.org/rubrique114.html

²⁴² The 1% principle // Global Digital Solidarity Fund. URL: www.dsf-fsn.org/cms/content/view/39/73/lang,en/

²⁴³ Second meeting of the international Taskforce on Education and Innovative Financing, 17 June 2010 // Leading Group on Innovative Financing for Development. URL: www.leadinggroup.org/rubrique250.html

programme, thus broadening access to finance and reducing cash collateral requirements. Trade finance training is also offered, and the IFC may place experienced trade finance bankers with issuing banks to help them develop trade finance and other banking skills.²⁴⁴

Sovereign wealth fund investments

A potentially important source of development financing is the multitrillion-strong sovereign wealth funds (SWFs). An innovative example that offers scale-up possibilities is the recent investment by several SWFs in an IFC equity fund.²⁴⁵

Remittances

Actions undertaken by the country to facilitate sending remittances to developing countries through supporting remittances services, reducing the cost of remittances, passing the legislation regulating remittances, improving data on remittances flows and other actions should be registered in the report.

Commitment features

The commitment consists of two parts. The first part covers all the actions undertaken by the G20 member to continue complying with its existing commitments on development financing. Thus, all the measures qualified by the DAC OECD as provision of development finance at the national and international should be considered.

The monitoring implies accounting all types of development financing identified by the DAC OECD. Thus resources allocated as humanitarian assistance doesn't constitute compliance while post crisis restoration assistance is registered as compliance. The commitment does not assume assessing the volume of resources provided in comparison with the previous periods.

The second part of the commitment considers all the measures undertaken by the G20 member to finance its development assistance programs from both public and private sources through new approaches (innovative mechanisms).

As G20 members are contending for their roles in global governance they should be making their contribution towards international development assistance. Therefore only actions on development of foreign countries constitute compliance.

²⁴⁴ User guidance for the PFI trade policy questions. URL: www.oecd.org/dataoecd/46/57/41890633.pdf

²⁴⁵ G20 and Global Development. Report prepared by Staff of the World Bank for G20 Growth Framework and Mutual Assessment Process. URL: siteresources.worldbank.org/DEC/Resources/G20Framework&MAP-WBReport-TorontoSummit-2.pdf

Scoring Guidelines

-1	G20 member does not support development financing using traditional approaches AND does not support new approaches that encourage development financing from both public and private sources
0	G20 member supports development financing using traditional approaches OR supports new approaches that encourage development financing from both public and private sources
+1	G20 member supports development financing using traditional approaches AND supports new approaches that encourage development financing from both public and private sources

Argentina: 0

Argentina has partially complied with the commitment to support development financing.

On July 21 2010, the ninth increase of ordinary capital of the Inter-American Development Bank (IADB) was formally approved by the Board of Governors. The overall increase of USD70 billion to over USD170 billion will place IADB at the top of regional development banks and will be implemented through 2015.²⁴⁶ Argentina has committed to increase its share to USD18.385 billion (USD647 million in paid-in capital and USD17.7 billion in callable capital)²⁴⁷ in comparison with USD10.859 billion as of 31 December 2009.²⁴⁸

On 31 August 2010, the Union of South American Nations (UNASUR) - Haiti Technical Secretariat was launched in Haiti aimed at implementing cooperation programs in areas such as food safety, development of infrastructure towards the protection of people during cyclone and hurricane season as well as taking a wide range of actions to support the country to recover after the earthquake that hit it last January. The offices of the UNASUR-Haiti fall within the responsibility of Argentine Ambassador Rodolfo Mattarolo.²⁴⁹

Argentina has pledged USD1 million in bilateral financial contributions and USD16.782 million via UNASUR to the National Reconstruction and Development Plan of Haiti in 2010.²⁵⁰

²⁴⁶ Capital Increase Facts, the official web site of Inter-American Development Bank. Date of Access: 20 October 2010. www.iadb.org/capitalincrease/index.cfm?id=6690

²⁴⁷ Report on the ninth general increase in the resources of the Inter-American Development Bank, the official web site of Inter-American Development Bank, 21 May 2010. Date of Access: 20 October 2010. idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35291148 Table V-2, page 30

²⁴⁸ Argentina membership, the official web site of Inter-American Development Bank. Date of Access: 20 October 2010. www.iadb.org/en/countries/argentina/membership,1025.html

²⁴⁹ UNASUR opens in Haiti a technical secretariat, TELAM Agencia de Noticias de la República Argentina, 31 August 2010. Date of Access: 18 October 2010. english.telam.com.ar/index.php?option=com_content&view=article&id=10040:unasur-opens-in-haiti-a-technical-secretariat&catid=36:foreign-affairs

²⁵⁰ Pledge list, Haiti Reconstruction Platform, 20 October 2010. Date of Access: 20 October 2010. www.refondation.ht/index.jsp?sid=1&id=191&pid=126&lng=en

In September 2010, Argentine officials met with their colleagues from Haiti to discuss and share 20-year experience of running Pro-Huerta Program for the Production of Fresh Foods for Self-sufficiency.²⁵¹ Pro-Huerta Haiti is a multilateral cooperation project being promoted by the governments of Haiti, Argentina, Canada and Spain in close collaboration with the Haitian Ministry of Agriculture, the Inter-American Institute for Cooperation on Agriculture (IICA), the International Fund for Agricultural Development (IFAD), the Ministry of Environment (MDE), the Secretariat of State for Literacy (SEA) and around 500 community organizations on the island. Following the earthquake in Haiti in January 2010, Argentina reinforced its support for the programme through allocation of additional packets of seed and tilling tools.²⁵²

However, no facts regarding innovative mechanisms of development financing have been registered over the compliance cycle. As a result Argentina is awarded a score of 0.

Analyst: Polina Arkhipova

Australia: 0

Australia has partially complied with its commitment on development financing support, having implemented the first part of the commitment on development financing through official sources.

On 15 July 2010 the Australian Minister of Foreign Affairs and Trade Stephen Smith during his visit to Indonesia concluded a Debt to Health swap, Australia's first, with Indonesia and the Global Fund. Under the swap Australia has agreed to cancel USD75 million in debt owed by Indonesia in return for Indonesia investing USD37.5 million in the Global Fund to fight tuberculosis.²⁵³

Australia will provide up to USD85 million over four years to Pacific Island countries to protect the lives of mothers, newborn babies and children. Australia's contribution to maternal and child health in the Pacific will support the efforts of Pacific governments to make progress towards the Millennium Development Goals (MDGs), specifically MDG 4 (child health), MDG 5 (maternal health) and MDG 6 (HIV/AIDs, malaria and other diseases).²⁵⁴

On 2 July 2010 Australia's Parliamentary Secretary for International Development Assistance, Bob McMullan announced a further contribution of USD1.25 million to the

²⁵¹ Visita de funcionarios del Ministerio de Agricultura de Haití y de la Cooperación Canadiense en Haití para analizar las perspectivas del Programa Pro Huerta-Haití, Ministry of Foreign Affairs, International Trade and Culture of Argentina 8 October 2010. Date of Access: 16 October 2010. www.mrecic.gov.ar/portal/secin/dgcin/ver_adjunto.php?id=2901

²⁵² Pro-Huerta boosts activity level in Haiti following the earthquake, Instituto Interamericano de cooperación para la Agricultura 3 March 2010. Date of Access: 19 October 2010. www.iica.int/Esp/prensa/Lists/Comunicados%20Prensa%202009/DispForm.aspx?ID=243

²⁵³ Visit to Indonesia, the official web site of Australian Minister of Foreign Affairs and Trade Stephen Smith, 15 July 2010. Date of access: 18 October 2010. www.foreignminister.gov.au/releases/2010/fa-s100715.html

²⁵⁴ Australia Supports Maternal and Child Health in the Pacific, the official web site of Australian Minister of Foreign Affairs and Trade Stephen Smith. Date of access: 18 October 2010. foreignminister.gov.au/releases/2010/fa-s100802.html

UN Trust Fund to End Violence Against Women in the developing world, at the Annual Ministerial Review for the United Nations Economic and Social Council in New York.²⁵⁵

On 22 September 2010 in New York during High-Level Plenary Meeting of the United Nations General Assembly the Foreign Minister Kevin Rudd declared that Australia expects between now and 2015 to allocate AUD5 billion to support education in developing countries. Another AUD1.2 billion will be provided for action on climate change adaptation and mitigation in developing countries, including the 39 small island developing states.²⁵⁶ Australia also expects to invest at least USD1.6 billion in women's and children's health to 2015.²⁵⁷

As it was announced on 8 July 2010 by the Australian Minister of Foreign Affairs and Trade Stephen Smith Australia is going to provide USD50 million to churches in Papua New Guinea over six years to deliver critical health and education services to the poorest, most disadvantaged and remote people of Papua New Guinea. These services include building medical centers for people with HIV and AIDS, operating health clinics and schools in remote areas, training medical workers and school teachers and running primary schools.²⁵⁸ This partnership can be an effective innovative development.

During the period of monitoring the Australian Government has supported development financing using mostly traditional approaches of development financing. Thus, Australia is awarded a score of 0 for partial compliance with a commitment.

Analyst: Yuriy Zaytsev

Brazil: 0

Brazil has partially complied with the commitment to support development financing.

On 21 July 2010, the ninth increase of ordinary capital of the Inter-American Development Bank (IADB) was formally approved by the Board of Governors. The overall increase of USD70 billion to over USD170 billion will place IADB at the top of regional development banks and will be implemented through 2015.²⁵⁹ Brazil has committed to increase its share to USD18.385 billion (USD647 million in paid-in capital

²⁵⁵ Ending violence against women globally, the official web site of the Australian Government, the official web site of AusAid, 2 July 2010. Date of access: 18 October, 2010.

www.ausaid.gov.au/media/release.cfm?BC=Media&ID=6700_6097_9736_2727_9977

²⁵⁶ Statement to the High-level Plenary Meeting of the United Nations General Assembly (Millennium Development Goals Summit), the official web site of the Australian Government, the official web site of AusAid, 22 September 2010. Date of access: 19 October, 2010.

www.foreignminister.gov.au/speeches/2010/kr_sp_100922.html

²⁵⁷ Address to the 65th United Nations General Assembly, the official web site of the Australian Government, the official web site of AusAid, 25 September 2010. Date of access: 19 October, 2010.

foreignminister.gov.au/speeches/2010/kr_sp_100925.html

²⁵⁸ Australia provides USD50 million to PNG churches, the official web site of Australian Minister of Foreign Affairs and Trade Stephen Smith, 8 July 2010. Date of access: 18 October 2010.

www.foreignminister.gov.au/releases/2010/fa-s100708b.html

²⁵⁹ Capital Increase Facts, Inter-American Development Bank. Date of Access: 20 October 2010.

www.iadb.org/capitalincrease/index.cfm?id=6690

and USD17.7 billion in callable capital)²⁶⁰ in comparison with USD10.859 billion as of 31 December 2009.²⁶¹

On 28 July 2010, United Nations Development Programme Administrator Helen Clark and Minister of Health of Brazil José Gomes Temporão signed an agreement for a joint project to strengthen public health and tracking of infectious diseases in Haiti as part of the earthquake recovery efforts. Brazil has designated around BRL135 million (USD76.7 million) for these activities.²⁶²

On 30 July 2010, the Brazilian Government and people have made a donation of USD500,000 to the Office of the United Nations High Commissioner for Refugees (UNHCR) for Colombian refugees living in Ecuador to be used for the purchase of food and material to build classrooms in the region.²⁶³

On 13 September 2010, a Memorandum of Understanding between the Government of the Federative Republic of Brazil and the Office of the United Nations High Commissioner for Refugees (UNHCR) for the provision of humanitarian assistance was signed. The Government of the Federative Republic of Brazil is committed to provide funding and make emergency voluntary funding contributions to UNHCR's humanitarian assistance programmes and activities to specific countries affected by disasters, conflicts and food and nutrition insecurity.²⁶⁴ The latest contribution of Brazil to UNHCR amounted to USD200,000.²⁶⁵

On 21 September 2010, the IBSA Fund for Alleviation of Poverty and Hunger, established with resources from Brazil, India and South Africa and coordinated by the United Nations Development Program (UNDP) has received the "Millennium Development Goals" Award in recognition of its role in South-South cooperation. The

²⁶⁰ Report on the ninth general increase in the resources of the Inter-American Development Bank, the official web site of Inter-American Development Bank, 21 May 2010. Date of Access: 20 October 2010. idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=35291148 Table V-2, page 30

²⁶¹ Brazil membership, the official web site of Inter-American Development Bank. Date of Access: 20 October 2010. www.iadb.org/en/countries/brazil/membership,1005.html

²⁶² Brazil, UNDP agree on project to support public health in Haiti, the official web site of United Nations Development Programme, 29 July 2010. Date of Access: 19 October 2010. content.undp.org/go/newsroom/2010/july/brazil-and-undp-agree-joint-project-to-support-haiti-public-health.en?categoryID=1839997&lang=en

²⁶³ Humanitarian Aid to Colombian refugees in Ecuador, the official web site of Ministry of Foreign Affairs of Brazil, 30 July 2010. Date of Access: 16 October 2010. www.itamaraty.gov.br/sala-de-imprensa/notas-a-imprensa/assistencia-humanitaria-aos-refugiados-colombianos-no-equador

²⁶⁴ Memorandum of Understanding between the Government of the Federative Republic of Brazil and the Office of the United Nations High Commissioner for Refugees, the official web site of the Ministry of Foreign Affairs of Brazil 13 September 2010. Date of Access: 12 October 2010. www.itamaraty.gov.br/sala-de-imprensa/notas-a-imprensa/memorando-de-entendimento-entre-o-governo-da-republica-federativa-do-brasil-e-o-alto-comissariado-das-nacoes-unidas-para-refugiados-para-provimento-de-assistencia-humanitaria

²⁶⁵ Latest Contributions to UNHCR, the official web site of United Nations High Commissioner for Refugees. Date of Access: 19 October 2010. www.unhcr.org/pages/49c3646c26c.html

Fund supports projects in Haiti, Palestine, Cape Verde, Guinea-Bissau, Burundi, Cambodia and Laos.²⁶⁶

On 22 September 2010, Brazilian Minister for Social Development and the Fight Against Hunger Márcia Helena Carvalho Lopes stressed Brazil's willingness to share its experience in promoting universal and free public health systems with other countries in the framework of the two international conferences scheduled in December and October 2011 in Brazil.²⁶⁷

On 9 October 2010, Minister of Finance of Brazil Guido Mantega supported the establishment of the Post-Catastrophe Debt Relief (PCDR) Trust and the cancellation of Haiti's entire outstanding debt to the IMF in his statement at the International Monetary and Financial Committee.²⁶⁸ As a response to the 12 January earthquake, Brazil has pledged more than USD340 million in humanitarian assistance and the reconstruction process. Brazil was the first and is still to date the major contributor to the Haiti Reconstruction Fund.²⁶⁹

No facts regarding the innovative mechanisms for development financing over the compliance cycle has been registered. Thus, Brazil is awarded a score of 0.

Analyst: Polina Arkhipova

Canada: +1

Canada has fully complied with its G20 commitment on development financing.

On 7 July 2010, the Government of Canada made a USD300,000 contribution to the Cégep de Limoilou (educational institution) for vocational training in Senegal.²⁷⁰

On 17 July 2010, the Government of Canada provided an additional USD6.82 million in response to the deteriorating food security situation in Chad and Niger to help meet the vital food assistance needs, support maternal health and provide education.²⁷¹

²⁶⁶ IBSA Fund receives "Millennium Development Goals" Award, the official web site of the Ministry of Foreign Affairs of Brazil, 21 September 2010. Date of Access: 16 October 2010.

www.itamaraty.gov.br/sala-de-imprensa/notas-a-imprensa/fundo-ibas-recebe-o-premio-201cmillennium-development-goals201d

²⁶⁷ Statement by Minister for Social Development and the Fight Against Hunger Márcia Helena Carvalho Lopes at High Level Plenary of the General Assembly on the Millenium Development Goals, the official web site of the United Nations, 22 September 2010. Date of Access: 12 October 2010.

www.un.org/en/mdg/summit2010/debate/BR_en.pdf

²⁶⁸ Statement by Minister of Finance of Brazil Guido Mantega at the International Monetary and Financial Committee, the official web site of the International Monetary Fund, 9 October 2010. Date of Access: 12 October 2010. www.imf.org/External/AM/2010/imfc/statement/eng/bra.pdf

²⁶⁹ Statement by Minister of Foreign Affairs of Brazil Celso Amorim at the extraordinary Interim Haiti Recovery Commission, Ministry of Foreign Affairs of Brazil, 20 September 2010. Date of Access: 14 October 2010. www.itamaraty.gov.br/sala-de-imprensa/notas-a-imprensa/discurso-do-ministro-celso-amorim-na-reuniao-extraordinaria-da-comissao-interina-de-reconstrucao-do-haiti-2013-nova-york-20-de-setembro-de-2010/print-nota

²⁷⁰ Government of Canada Supports the Cégep de Limoilou International Efforts, the official web site of the Canadian International Development Agency, 7 July 2010. Date of access: 3 November,2010. www.acdi-cida.gc.ca/acdi-cida/ACDI-CIDA.nsf/eng/NAD-7715130-QJP

On 23 July 2010 Canadian International Development Agency (CIDA) announced a commitment of USD500,000 over two years to Africa Partnership Forum Support Unit.²⁷²

On 14 September 2010, Minister of Labour Lisa Raitt on behalf of the Minister of International Cooperation Beverley J. Oda, announced that the Government of Canada had committed USD22 million to protect vulnerable children and youth in Colombia.²⁷³

On 1 October 2010 Jim Prentice, Minister of the Environment, released the details of Canada's USD400 million commitment for international climate change while speaking at the Centre for International Governance Innovation's annual conference.²⁷⁴

On 13 October 2010 Minister Oda, announced support for reducing the impact of natural disasters in the Caribbean to develop health disaster plans and to build better emergency telecommunications systems.²⁷⁵

On 23 October 2010 Prime Minister Stephen Harper announced that Canada will continue to reinforce the management capacity of health institutions in the Artibonite region of Haiti to better respond to health challenges.²⁷⁶

On 21 September 2010, Prime Minister Stephen Harper committed an additional USD540 million over three years to the Global Fund to Fight AIDS, Tuberculosis and Malaria.²⁷⁷

Canadian Government also has implemented a wide range of measures to support innovative mechanisms of developing financing. Thus, on 6 October 2010 Canadian Minister of International Cooperation Beverley J. Oda announced a major Canadian

²⁷¹ Canada Responds to the Hunger Crisis in Niger and Chad, the official web site of the Canadian International Development Agency, 17 July 2010. Date of access: 3 November, 2010. www.acdi-cida.gc.ca/acdi-cida/ACDI-CIDA.nsf/eng/FRA-71974911-FVB

²⁷² Minister Oda Renews Canada's Commitment to Africa Partnership Forum Support Unit, the official web site of the Canadian International Development Agency, 23 July 2010. Date of access: 3 November, 2010. www.acdi-cida.gc.ca/acdi-cida/ACDI-CIDA.nsf/eng/FRA-72314753-P9Y

²⁷³ Government of Canada provides funding to protect Colombia's children and youth, the official web site of the Canadian International Development Agency, 14 September 2010. Date of access: 3 November, 2010. www.acdi-cida.gc.ca/acdi-cida/ACDI-CIDA.nsf/eng/FRA-914105524-KHP

²⁷⁴ Government of Canada Announces Details of Major Investment to International Climate Change, Environment Canada, 1 October 2010. Date of access: 3 November, 2010. www.ec.gc.ca/default.asp?lang=En&n=714D9AAE-1&news=454E8F15-55C2-4A70-9FC0-249B35E5DD80

²⁷⁵ Government of Canada helps Caribbean Countries Reduce Impact of Natural Disasters, the official web site of the Canadian International Development Agency, 13 October 2010. Date of access: 3 November, 2010. www.acdi-cida.gc.ca/acdi-cida/ACDI-CIDA.nsf/eng/HEL-101311599-LRK

²⁷⁶ PM announces Canada to help Haiti deal with outbreak of cholera, the official web site of the Canadian Prime Minister, 23 October 2010. Date of access: 3 November, 2010. pm.gc.ca/eng/media.asp?category=1&featureId=6&pageId=26&id=3734

²⁷⁷ PM reaffirms Canada's commitment to helping the world's most vulnerable, the official web site of the Canadian Prime Minister, 21 September 2010. Date of access: 3 November, 2010. www.pm.gc.ca/eng/media.asp?category=1&featureId=6&pageId=26&id=3653

Government contribution of USD50 million over five years to the Global Alliance for Vaccines and Immunisation (GAVI).^{278,279}

Canada supports development financing using traditional approaches and supports new approaches, therefore, its score is +1 for the fulfillment of this commitment.

Analyst: Vitaly Nagornov

China: 0

China has partially complied with its commitment to continue support of development financing, since it has used only traditional development financing mechanisms.

On 31 August 2010, China's Yunnan provincial government donated a set of language lab equipment to Bangladesh's North South University Confucius Institute to improve the teaching facilities in the institute.²⁸⁰

On 6 September 2010, China announced that China would offer CNY200 million (USD29.4 million) of humanitarian aid to flood-hit Pakistan, which has suffered a worst-ever monsoon flooding since late July, killing 1,754 people and left millions homeless.²⁸¹

On 28 September 2010, Chinese Ambassador Liu Jianchao assured the Philippines that the promised USD1.8 billion official development assistance (ODA) for the country would not be affected by the 23 August 2010 hostage crisis that has strained diplomatic relations between Manila and Beijing. He added that USD6.7 billion would be provided for member-countries of the Association of Southeast Asian Nations.

China demonstrated determination to support development through traditional official sources, but additional action is needed in the field of innovative development financing, thus China was given a score of 0.

Analyst: Svetlana Nikitina

France: +1

France has fully complied with its G20 commitment on development financing.

²⁷⁸ Launched in 2000, the GAVI Alliance is a global health partnership representing stakeholders in immunisation from both private and public sectors: developing world and donor governments, private sector philanthropists such as the Bill & Melinda Gates Foundation, the financial community, developed and developing country vaccine manufacturers, research and technical institutes, civil society organisations and multilateral organisations like the World Health Organization (WHO), the United Nations Children's Fund (UNICEF) and the World Bank.

²⁷⁹ Canada announces continued major support to global immunization, GAVI Alliance, 6 October, 2010. Date of access: 3 November, 2010. www.gavialliance.org/media_centre/press_releases/cida.php

²⁸⁰ Yunnan Donates Language Lab to Confucius Institute of Bangladesh, the China International Publishing Group 31 August 2010. Date of Access: 31 August 2010. www.china.org.cn/learning_chinese/news/2010-08/31/content_20831699.htm

²⁸¹ China to Offer more Aid to Pakistan, Chinese Ambassador says, the China International Publishing Group 6 September 2010. Date of Access: 9 September 2010. www.china.org.cn/world/2010-09/09/content_20899261.htm

On 20 September 2010 French President Nicolas Sarkozy pledged to boost aid to the world's poorest by 20% over the next three years and said he would press for a global tax on financial transactions to fund development aid.²⁸²

On 30 September 2010 Agence Française de Développement (AFD) deployed over EUR450 million (USD631.57 million) for sustainable development at its Board of Directors meeting.²⁸³

On 21 September 2010 France, as a permanent Secretariat of the Leading Group, organized High-Level Event on innovative development financing to bring together the members and to attract new partners who want to play a pioneering role in establishing innovative mechanisms.²⁸⁴ France promotes innovative development financing to achieve goals of the MDGs.²⁸⁵

On 12–14 October 2010 France organized International high-level meeting of experts on sustainable tourism for development in the Least Developed Countries to reduce poverty by highlighting the issues related to sustainable tourism.²⁸⁶

France supports development financing through traditional approaches and supports new mechanisms, therefore, it has been scored +1 for the full compliance with commitment.

Analyst: Vitaly Nagornov

Germany: +1

Germany has fully complied with the commitment on development, supporting both traditional and new approaches to development financing.

On 5 September 2010 Parliamentary State Secretary Gudrun Kopp hold a two-day development policy visit to Viet Nam. The main reason for the visit was opening of the International Forest Conference in Hanoi with more than 200 national and international participants. The Parliamentary State Secretary concluded her visit with a meeting with the President of the state energy utility EVN, where she signed the KfW (Kreditinstitut für Wiederaufbau) credit agreement for one of the biggest German-Vietnamese

²⁸² France pushes aid to poor at UN, but record tells a different story, France 24 International News, 21 September, 2010. Date of access: 3 November, 2010. www.france24.com/en/20100920-france-flaunts-its-development-aid-figures-tell-different-story-sarkozy-millennium-goals

²⁸³ AFD deploys over EUR450 million to support sustainable development, AFD, 30 September 2010. Date of access: 3 November, 2010. www.afd.fr/jahia/Jahia/site/afd/lang/en/CA-301010

²⁸⁴ High-Level Event on innovative financing, September 21, 2010, New York, Leading Group on Innovative Financing for Development, 21 September 2010. Date of access: 3 November, 2010. www.leadinggroup.org/rubrique77.html

²⁸⁵ “Innovative financing: it is now time for action”, by Bernard Kouchner for France, Katsuya Okada for Japan, Charles Michel for Belgium, France Diplomatie. Date of access: 3 November, 2010. www.diplomatie.gouv.fr/en/france-priorities_1/development-and-humanitarian-action_2108/innovative-ways-to-fund-development_2109/events_7039/innovative-financing-it-is-now-time-for-action-by-messrs-kouchner-okada-michel-01.09.10_14184.html

²⁸⁶ International high-level meeting of experts on sustainable tourism for development in the Least Developed Countries, the official web site of UNCTAD, 12-14 October, 2010. Date of access: 3 November, 2010. www.unctad.org/Templates/meeting.asp?intItemID=2068&lang=1&m=20181

development cooperation projects ever. The aim of the project, which is worth EUR120 million (USD168.42 million), is to help improve the energy efficiency of rural electricity networks, thereby directly helping to improve the living conditions of the rural population. By improving energy efficiency, the country's CO2 emissions of more than 185,000 tonnes a year can be reduced. This saving represents a substantial contribution to climate protection.²⁸⁷

With respect to innovative approaches of development financing Germany has undertaken a wide range of measures. On 16 September in Abidjan it signed the fourth Debt2Health agreement between Germany, Côte d'Ivoire and the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM). The Fund is an innovative approach to the international financing of health programmes, which brings together public and private resources to finance the treatment and prevention of these diseases. Under this agreement Germany will cancel EUR19million (USD26.67 million) of Côte d'Ivoire's debt. In return, Côte d'Ivoire will invest half of this amount in national programs to combat HIV/AIDS through the Global Fund. Côte d'Ivoire is the first African country to benefit from Debt2Health. This agreement brings the total amount of debt swapped to EUR163.6 million (USD212.5 million) under this initiative.²⁸⁸

According to the press release of the Deutsche Investitions- und Entwicklungsgesellschaft (DEG) (one of the German Government's implementing organisations) of the 2 July 2010, DEG supports the set-up of a training centre for solar energy generation in Mexico. The private partners of the projects are ERDM SOLAR S.A. de C.V. (ERDM), a German-Mexican producer of photovoltaic modules, and Renewables Academy (RENAC), a German training company in the field of renewable energy and energy efficiency. ERDM and RENAC together contribute more than EUR190,000 (USD266.700) to the project and integrate other companies from the solar sector, which for instance provide training equipment. DEG complements this amount by another EUR190,000 from the Public-Private Partnership (PPP) Programme (develoPPP.de) of the Federal Ministry for Economic Cooperation and Development (BMZ).²⁸⁹

Germany supports development financing using traditional approaches and new approaches that encourage development financing from both public and private sources, therefore, its score is +1 for the fulfillment of this commitment.

Analyst: Irina Grechukhina

²⁸⁷ Parliamentary State Secretary Kopp to visit Viet Nam, the official web site of the Federal Ministry for Economic Cooperation and Development, 5 September 2010. Date of access: 3 November 2010.

www.bmz.de/en/press/aktuelleMeldungen/2010/september/20100905_pm_138_vietnam/index.html

²⁸⁸ Fourth Debt2Health Agreement signed between Germany, Côte d'Ivoire and the Global Fund in Abidjan, the official web site of the Global Fund to Fight AIDS, Tuberculosis and Malaria., 16 September 2010. Date of access: 3 November, 2010.

www.theglobalfund.org/en/innovativefinancing/stories/?story=story201009

²⁸⁹ DEG finances submarine cable to West Africa, the official web site of Deutsche Investitions- und Entwicklungsgesellschaft (DEG), 8 July 2010. Date of access: 3 November 2010.

www.deginvest.de/EN_Home/Press/Press_archive/2010/20100708_21081.jsp?logo=logo_deg.gif

India: 0

India has partially complied with the development commitment.

Minister of External Affairs of India S.M. Krishna in the Statement at the 65-th Session of the UN General Assembly highlighted the importance of innovative mechanisms and stressed that innovative and low cost technology solutions in the field of IT and telecommunication had brought development benefits, not just in India, but also to people in Africa, Latin America and elsewhere. He claimed that in August 2010, India launched the second phase of the Pan-African e-Network project. The network project will link all the 53 countries in Africa with centres of excellence in India for telemedicine and tele-education services.

The Ministry of External Affairs is the nodal ministry for the project while Telecommunications Consultants India Limited (TCIL, a wholly owned Government of India Public Sector Enterprise under the administrative control of the Department of Telecommunications (DOT), Ministry of Communications and Information Technology, Government of India.) is implementing the project on a turnkey basis. More than 1700 students from African countries have already registered with different Indian universities for various courses and regular tele-medical consultations have also started between African doctors and Indian specialists.²⁹⁰

The Prime Minister of India reiterated the Indian Government's commitment to contribute to the economic development of Mozambique including human resources, agriculture, infrastructure and science and technology. He announced a line of credit of USD500 million for Mozambique. The Government of India assured Mozambique of its continued support for both human resource development, and for imparting a new impetus to increasing economic engagement, given the closeness and economic complementarity of the two countries. This will also include support by India for Mozambique's infrastructural and mineral development and the development of an India-Mozambique Coal Partnership keeping in view the potential for growth and optimal utilization of resources in Mozambique for its development.²⁹¹

During the visit of Foreign Minister of Gambia to India from 17 to 21 August 2010, Minister of State for External Affairs Preneet Kaur assured that India would consider any proposal from the Gambian side for increased bilateral cooperation especially for capacity building/training by way of human resource development in the Gambia in a positive manner. She announced a grant of USD500,000 to Gambia to be utilized in the education and health sectors.²⁹²

²⁹⁰ Statement by H.E.MR.S.M.Krishna Minister of External Affairs of India at the 65th Session of the UN General Assembly, the official web site of the United Nations, 22 September 2010. Date of Access: 10 October 2010. www.un.org/en/mdg/summit2010/debate/IN_en.pdf

²⁹¹ Joint Statement on State Visit of President of Mozambique, the official web site of the Ministry of External Affairs of India, 30 September 2010. Date of Access: 12 October 2010. www.mea.gov.in/mystart.php?id=550316542

²⁹² Visit of Foreign Minister of Gambia to India, the official web site of the Ministry of External Affairs of India 20 August 2010. Date of Access: 10 October 2010. www.mea.gov.in/mystart.php?id=550316415

Also, the Indian side agreed to consider Myanmar's request for assistance in three areas, namely: IT development, Industrial development and Infrastructure development in Myanmar which will lead to upliftment of the bilateral cooperation to a higher level.²⁹³ The Government of India has decided to provide one time Grant of USD10 million and Line of Credit of USD48.5 million extended through the EXIM Bank of India to the Government of Mauritius for the supply of one Offshore Patrol Vessel, manufactured by Garden Reach Shipbuilders and Engineers Ltd. (GRSE), Kolkata, India to assist the Government of Mauritius in strengthening its maritime capabilities.²⁹⁴

During the monitoring period India continued to support development financing through traditional sources but failed in supporting innovative sources. Thus, India gets a score of 0 for partial compliance with the commitment.

Analyst: Arina Shadrikova

Indonesia: -1

Indonesia has failed to comply with the commitment of supporting development financing using traditional or innovative approaches.

On 28 September 2010, the Ambassador of Indonesia to Pakistan, Isaac Latuconsina, delivered humanitarian aid in the form of cheques worth of USD1,7 million to the Prime Minister of Pakistan, Syed Yusuf Raza Gilani. The aid was the second phase of relief for the flood victims in Pakistan. In the first phase, which was carried out on 7 August 2010, the Government of Indonesia delivered humanitarian aid worth USD1 million to the Pakistani government in the form of 14 tons of emergency supplies consisting of ready to eat food, sarongs/blankets, medicines, food supplement for nursing mothers and portable generator.²⁹⁵

Humanitarian aid, however vital, can't be considered as development financing and thus no facts on traditional and/or innovative development financing have been registered. Indonesia has been awarded the score of -1.

Analyst: Irina Grechukhina

Italy: 0

Italy has partially complied with the commitment on development financing.

²⁹³ Joint Statement during the visit of Chairman, State Peace and Development Council of Myanmar, the official web site of the Ministry of External Affairs of India 27 July 2010. Date of Access: 12 October 2010. www.mea.gov.in/mystart.php?id=550316206

²⁹⁴ List of Agreements/MoUs signed during the visit of Minister of External Affairs Shri S.M. Krishna to the Republic of Mauritius, the official web site of the Ministry of External Affairs of India 03 July 2010. Date of Access: 12 October 2010. www.mea.gov.in/mystart.php?id=530516040

²⁹⁵ Indonesia Provided USD 1.730.000 Aid for Pakistan, the official web site of the Ministry of Foreign Affairs of Indonesia, 1 October 2010. Date of access: 3 November 2010. www.deplu.go.id/Pages/News.aspx?IDP=4039&l=en

On 8 July 2010, Italy and Kenya signed the bilateral agreement on the provision of EUR33 million (USD46.31 million) in assistance loans for water sector development in Kenya.²⁹⁶

On 15 July 2010, the launching of “the Effective School-to-Work transition through career information and guidance for youth” in Cairo was announced. The initiative was funded by the Directorate General for Development Cooperation (DGDC)²⁹⁷ with USD1 million and implemented by the International Labour Organisation (ILO) to support young Egyptian job-seekers and also disadvantaged categories such as women and people with disabilities.²⁹⁸

On 16 July 2010, the agreement protecting the most vulnerable categories of the Lebanese population by supporting local development policies was signed in Beirut by Italian and Lebanese officials. The agreement envisages funding from the DGDC amounting to EUR2.2 million (USD 3.08 million).²⁹⁹

On 23 July 2010, opening of a centre in Nouakchott, Mauritania, for the reintegration of boys and girls who have committed crimes was reported. The project is co-financed by the DGDC and carried out by the Italian NGO Terre des homes.^{300,301}

On 27 July 2010, Italian DGDC contributed voluntarily EUR7 million (USD9.82 million) to the UN Office of Project Services (Unops) to support the “National rural access program” (Nrap) in the west region of Afghanistan, one of the four national priority programmes in the field of rural and agricultural development. The initiatives will focus particularly on road infrastructures and communications.³⁰²

²⁹⁶ Cooperation: EUR33 million in assistance loans to Kenya, the official web site of the Ministry of Foreign Affairs of Italy, 8 July 2010. Date of Access: 6 September 2010. www.esteri.it/MAE/EN/Sala_Stampa/ArchivioNotizie/Approfondimenti/2010/07/20100708_CooperazioneKenya.htm?LANG=EN.

²⁹⁷ The Directorate General for Development Cooperation (DGDC) is a structural body of the Italian Ministry of Foreign Affairs responsible for the development cooperation assistance strategy of the country.

²⁹⁸ Cooperation: Egypt, a million dollars to help young people enter the world of work, the official web site of the Italian Ministry of Foreign Affairs, 15 July 2010. Date of Access: 6 September 2010. www.esteri.it/MAE/EN/Sala_Stampa/ArchivioNotizie/Approfondimenti/2010/07/20100715_CooperazioneEgitto.htm?LANG=EN.

²⁹⁹ Cooperation: Lebanon, over two million euros for the most disadvantaged categories, the official web site of the Ministry of Foreign Affairs of Italy, 16 July 2010. Date of Access: 6 September 2010. www.esteri.it/MAE/EN/Sala_Stampa/ArchivioNotizie/Approfondimenti/2010/07/20100716_CooperazioneLibano.htm?LANG=EN.

³⁰⁰ www.terredeshomes.it/english/english_index.php

³⁰¹ Cooperation: Mauritania, new centre for the reintegration of minors, the official web site of the Ministry of Foreign Affairs of Italy, 23 July 2010. Date of Access: 6 September 2010. www.esteri.it/MAE/EN/Sala_Stampa/ArchivioNotizie/Approfondimenti/2010/07/20100723_Mauritania.htm?LANG=EN.

³⁰² Cooperazione: Afghanistan, 7 milioni per lo sviluppo rurale, the official web site of the Ministry of Foreign Affairs of Italy, 27 July 2010. Date of Access: 6 September 2010. www.esteri.it/MAE/EN/Sala_Stampa/ArchivioNotizie/Approfondimenti/2010/07/20100727_CooperazioneAfghanistan.htm?LANG=EN.

In September 2010, the DGDC in collaboration with two Italian universities created and funded with EUR920,000 (USD1.29 million) an annual Masters programme in Law for members of the Afghan judiciary. The initiative is part of an Italian aid package for Afghanistan in the Rule of Law sector.³⁰³ On 22 September 2010, it was declared that the DGDC together with the Reintegration Fund has funded building of two new roads in the Shindand district of western Afghanistan. The first project has received funding of about EUR6 million (USD8.42 million) from the DGDC, while the second will receive about EUR17 million (USD23.85 million) from the Reintegration Fund.³⁰⁴

On 30 July 2010, the new women's centre was set up in Hermel (Lebanon). The initiative is part of the "Women and Nature: Hermel, Akkar and Nabatieh" project, which has received EUR350,000 (USD491,230) in funding from the DGDC as part of the Regeneration, Employment, Services and Development (Italian acronym ROSS) emergency programme. The centre is intended to encourage women to play an active part in local development planning processes through cooperation between women's groups and local authorities.³⁰⁵

On 30 July 2010, the Ministry of the Interior issued a directive to allocate EUR4 million (USD5.61 million) to the United Nations Relief and Rehabilitation Administration (UNRRA) fund in favour of persons in need with the particular attention to minors, elders and disabled.³⁰⁶

In July 2010, DGDC together with Italian Embassy in Sana financed with more than EUR3 million (USD4.21 million) English courses of 2 months (July-August 2010) for the staff of the Environment protection agency of Yemeni Water Ministry.³⁰⁷

On 9 September 2010, launch of a new project "Wawanet" by the DGDC to support pregnant women in Peru was announced. Worth USD750,000, "Wawanet" involves sending out SMS to expectant mothers on nutrition and on problems that can arise during pregnancy. It is one way to provide access to the healthcare system for 5,000 mothers-to-

³⁰³ Cooperation: first Masters in Comparative Law for Afghan judges, the official web site of the Ministry of Foreign Affairs of Italy, 9 September 2010. Date of Access: 9 October 2010.

www.esteri.it/MAE/EN/Sala_Stampa/ArchivioNotizie/Approfondimenti/2010/09/20100910_Cooperazione_master_Afghanistan.htm?LANG=EN.

³⁰⁴ Afghanistan: At the shura in Herat, the Italians announce the construction of two new roads, the official web site of the Ministry of Foreign Affairs of Italy, 22 September 2010. Date of Access: 10 October 2010. www.esteri.it/MAE/EN/Sala_Stampa/ArchivioNotizie/Approfondimenti/2010/09/20100923_Shura_Herat.htm?LANG=EN.

³⁰⁵ Cooperation: new women's centre set up in Lebanon, the official web site of the Ministry of Foreign Affairs of Italy, 30 July 2010. Date of Access: 6 September 2010. www.esteri.it/MAE/EN/Sala_Stampa/ArchivioNotizie/Approfondimenti/2010/07/20100730_Cooperazione_Libano.htm?LANG=EN.

³⁰⁶ Fondo UNRRA: 4 milioni di euro per minori, anziani e disabili, the official web site of the Italian Government, 10 August 2010. Date of Access: 7 September 2010. www.governo.it/Notizie/Ministeri/dettaglio.asp?d=59396.

³⁰⁷ Cooperazione: Yemen, corsi di informatica per dipendenti pubblici, the official web site of the Ministry of Foreign Affairs of Italy, 11 October 2010. Date of Access: 11 October 2010. www.esteri.it/MAE/EN/Sala_Stampa/ArchivioNotizie/Approfondimenti/2010/10/20101011_cooperazione_yemen.htm?LANG=EN.

be living in poverty. The “Wawanet” project is part of the effort to find an effective solution to the serious problem of maternal mortality and to provide a contribution toward achieving the Millennium Development Goals.³⁰⁸

On 15 September 2010, the DGDC launched in the coastal region of the United Republic of Tanzania the “Mkubwa” project in order to help Tanzanian women to set up their business. The project aims to encourage women’s entrepreneurship, with USD1.35 million financed through a World Bank Trust Fund.³⁰⁹

On 8 October 2010, it was announced that the DGDC financed a project with EUR250,000 (USD350,870) to improve the access to jobs market in Lebanon. The Italian NGO CESVI established in Tiro, in south of Lebanon, an office for coordination with the national, international organizations and donors, and a center of orientation to the job. The Italian government and the DGDC are engaged for 4 years in initiatives in favour of local development and promotion of dialogue and social coherence in Lebanon.³¹⁰

Thus, for the partial compliance with the commitment on development financing Italy has been awarded a score of 0.

Analyst: Anna Vekshina

Japan: +1

Japan has fully complied with its commitment to support development financing through both traditional and innovative mechanisms.

At the UN MDGs Summit held on 20-22 September 2010 Japan launched a new development policy which included Global Health Policy and Education Cooperation Policy. Japan pledged to mobilize over USD5 billion over 5 years towards building sustainable health systems, and over USD3.5 billion to support education.³¹¹

³⁰⁸ Cooperation: In Peru, an SMS for mothers-to-be, the official web site of the Ministry of Foreign Affairs of Italy, 2 September 2010. Date of Access: 6 September 2010.
www.esteri.it/MAE/EN/Sala_Stampa/ArchivioNotizie/Approfondimenti/2010/09/20100902_CooperazionePeru.htm?LANG=EN.

³⁰⁹ Cooperation: Tanzania, helping women in business, the official web site of the Ministry of Foreign Affairs of Italy, 21 September 2010. Date of Access: 9 October 2010.
www.esteri.it/MAE/EN/Sala_Stampa/ArchivioNotizie/Approfondimenti/2010/09/20100921_CooperazioneTanzania.htm?LANG=EN.

³¹⁰ Cooperazione: nascono due uffici per il lavoro in Libano, the official web site of the Ministry of Foreign Affairs of Italy, 8 October 2010. Date of Access: 10 October 2010.
www.esteri.it/MAE/EN/Sala_Stampa/ArchivioNotizie/Approfondimenti/2010/10/20101008_CooperazioneLibano.htm?LANG=EN.

³¹¹ Launch of Japan's Development Policy at the UN MDGs Summit, the official web site of the Ministry of Foreign Affairs of Japan, 22 September 2010. Date of access: 15 October 2010.
www.mofa.go.jp/policy/oda/mdg/new_policy.html

On 5 October 2010, at the 3rd Voluntary Replenishment meeting of the Global Fund to Fight AIDS, Tuberculosis and Malaria, Japan announced additional contributions to the Fund amounting to USD800 million in the coming years from 2011.³¹²

Japan expressed determination to strengthen cooperation with and extend official development financing to Philippines,³¹³ Mekong region countries,^{314, 315} African Union,³¹⁶ CARICOM Member States,^{317,318} etc. Over the period from 28 June 2010 to 4 October 2010 Japan provided over JPY 39 billion (USD0.48 billion) in Grant Aid³¹⁹ and over JPY 76 billion (USD0.94 billion) in Loan Aid³²⁰ for developing countries.

Japan has also explored options for innovative development financing. On 1 July 2010, Nippon Export and Investment Insurance (administered by the Japanese Government) extended its support measures for trade insurance to encourage infrastructure exports by Japanese private enterprises. This was made in response to strong infrastructure needs primarily from Asian economies as outlined in the “New Growth Strategy” (approved by the Cabinet on 18 June 2010).³²¹

On 23 July 2010, Japan and Tunisia agreed to conduct a joint project for solar thermal power generation in Tunisia. To support the overseas application of outstanding Japanese technologies and help such technologies secure a beachhead in overseas markets, the Government decided to carry out this project as a public-private demonstration project

³¹² Additional Contribution to the Global Fund to Fight AIDS, Tuberculosis and Malaria, the official web site of the Ministry of Foreign Affairs of Japan, 6 October 2010. Date of access: 12 October 2010. www.mofa.go.jp/announce/announce/2010/10/1006_01.html

³¹³ Call on H.E. Mr. Benigno Aquino, President of the Republic of the Philippines by H.E. Mr. Osamu Fujimura, State Secretary for Foreign Affairs, the official web site of the Ministry of Foreign Affairs of Japan, 1 July 2010. Date of access: 22 August 2010. www.mofa.go.jp/announce/announce/2010/7/0701_01.html

³¹⁴ Mekong region countries: Cambodia, Thailand, Viet Nam, Myanmar, Laos

³¹⁵ The Third Mekong-Japan Foreign Ministers' Meeting, the official web site of the Ministry of Foreign Affairs of Japan, 21 July 2010. Date of access: 22 August 2010. www.mofa.go.jp/region/asia-paci/mekong/fm1007/index.html

³¹⁶ Meeting between Mr. Katsuya Okada, Minister for Foreign Affairs, and H.E. Mr. Jean Ping, Chairperson of the African Union Commission (AUC); and Issuance of the Joint Communiqué regarding the reinforcement of the cooperative relationship between Japan and the African Union (AU), the official web site of the Ministry of Foreign Affairs of Japan, 2 August 2010. Date of access: 22 August 2010. www.mofa.go.jp/announce/announce/2010/8/0802_03.html

³¹⁷ The Caribbean Community, an organization of 15 Caribbean nations and dependencies.

³¹⁸ Japan-CARICOM Partnership Programme, the official web site of the Ministry of Foreign Affairs of Japan, 2 September 2010. Date of access: 6 September 2010. www.mofa.go.jp/region/latin/caricom/mc_1009/psp.html

³¹⁹ Exchange of Notes in Fiscal Year 2010 - Grant Aid by Date, the official web site of the Ministry of Foreign Affairs of Japan, 31 August 2010. Date of access: 6 September 2010. www.mofa.go.jp/policy/oda/note/grant-10.html

³²⁰ Exchange of Notes in Fiscal Year 2010 - Loan Aid by Date, the official web site of the Ministry of Foreign Affairs of Japan, 31 August 2010. Date of access: 6 September 2010. www.mofa.go.jp/policy/oda/note/loan-10.html

³²¹ Support to Trade Insurance Covering Infrastructure Exports, the official web site of the Ministry of Economy, Trade and Industry of Japan, 1 July 2010. Date of access: 10 August 2010. www.meti.go.jp/english/press/data/20100701_01.html

led by the New Energy and Industrial Technology Development Organization (NEDO).³²²

On 13 October 2010, the Ministry of Economy, Trade and Industry (METI) and the Japan External Trade Organization (JETRO) held a symposium focusing on BOP business. Bottom/Base of Pyramid (BOP) business is a business model that targets people in the BOP in developing countries (people with a per capita annual income of USD3 thousand or less at purchasing power parity in 2002) and contributes to solving social problems, such as poverty and poor hygiene in target countries. The aim of the symposium is to discuss ways to promote public-private partnerships, including the “BOP Business Promotion Platform” (provisional name), a framework to be launched in October, 2010, to comprehensively support enterprises and NGOs facing diverse challenges in the process of entry into this business, and to promote such partnerships.³²³

Japan has taken comprehensive set of measures to promote traditional and innovative development financing mechanisms, and has been awarded a score of +1.

Analyst: Ekaterina Maslovskaya

Mexico: -1

Mexico has failed to comply with its G20 commitment on development financing.

According to the Development Co-operation Report 2010 Mexico is currently not in a position to report its ODA data to the DAC. However, with the support of the DAC, the United Nations Development Programme, the Mexican Central Bank and the National Institute of Geography and Statistics, Mexico has recently established a National System of Information on International Co-operation for tracking aid flows. This initiative is aimed at facilitating Mexico’s ODA reporting to the DAC in the future.³²⁴

No facts of Mexico’s development financing (including new approaches) have been registered during the compliance period. Thus, Mexico has been awarded a score of -1.

Analyst: Maria Sazonova

Korea: 0

Korea has partially complied with its commitment on development financing.

On 17 August 2010, Export-Import Bank of Korea and Finance Ministry of Vietnam signed an agreement on providing financing. Korea has agreed to provide loans worth

³²² Agreement to conduct a joint solar thermal power project with Tunisia - Japan’s first national project for overseas solar thermal power generation, the official web site of the Ministry of Economy, Trade and Industry of Japan, 23 July 2010. Date of access: 11 August 2010.

www.meti.go.jp/english/press/data/20100723_01.html

³²³ Symposium organized by METI and JETRO: Promoting Japanese Companies’ Entry into BOP Business, the official web site of the Ministry of Economy, Trade and Industry of Japan, 21 September 2010. Date of access: 11 October 2010. www.meti.go.jp/english/press/data/20100921_02.html

³²⁴ OECD Development Co-operation Report 2010, p. 134. Date of Access: 15 October 2010. www.oecd-ilibrary.org/content/book/dcr-2010-en?contentType=&itemId=/content/chapter/dcr-2010-9-en&containerItemId=/content/serial/20747721&accessItemIds=&mimeType=text/html

USD51 million in the form of Official Development Assistance (ODA) for Vietnam to implement three projects in rural areas. The projects include a USD45 million general hospital in the northern mountainous Yen Bai province, and the provision of teaching equipment for two vocational training schools in the central provinces of Ha Tinh and Quang Binh, worth USD3 million each.³²⁵

Korea has complied with its commitments on supporting development financing through traditional approaches, however, there are not facts registered that the Republic of Korea supports new approaches that encourage innovative mechanisms of development financing.

Thus, it has been awarded a score of 0.

Analyst: Alexander Simonov

Russia: 0

Russia has partially complied with the commitment on development financing.

On 30 June 2010 Russian Government decided to donate USD8 million in 2010-2012 to the World Food Program for school meals program implementation in Armenia.³²⁶

On 12 July 2010 Russian Deputy Prime Minister and Finance Minister Alexei Kudrin said Russia would give a USD10 million grant to meet the most important social needs in Kyrgyzstan.³²⁷

On 24 September 2010 Russian Government decided to donate USD3 million to the UNDP, WHO and UNICEF for recovery work, health care and education development, water and sanitation provision in Kyrgyzstan.³²⁸

On 13 September 2010 Russian Prime Minister Vladimir Putin said Russia would provide USD5 million for establishing national systems for monitoring infectious diseases in CIS countries in 2010 and continue to implement this program in 2011 and 2012.³²⁹

On 29-30 June 2010 Deputy Minister of Foreign Affairs of Russia Alexander Yakovenko participated in the Second Development Cooperation Forum (DCF) of ECOSOC.³³⁰ The

³²⁵ The Export-Import Bank of Korea Provides USD84 million in EDCF to Vietnam and Indonesia, Korea Eximbank, 30 August 2010. Date of Access: 15 October 2010. www.koreaexim.go.kr/en2/01_exim/04_bank/01_view.jsp?nCP=1&nRegNo=460&cUseYN=&nSSecNo=9&sSKeyword=

³²⁶ Executive Order No. 1086-r of 30 June 2010, the official web site of the Government of Russia, 30 June 2010. government.consultant.ru/page.aspx?8411;1288628.

³²⁷ Prime Minister Vladimir Putin chairs a meeting of the Government Presidium, the official web site of the Prime Minister of Russia, 12 July 2010. premier.gov.ru/eng/events/news/11352/.

³²⁸ Executive Order No. 1614-r of 24 September 2010, the official web site of the Government of Russia, 24 September 2010. government.ru/docs/12374/.

³²⁹ Prime Minister Vladimir Putin addresses the 60th session of the WHO Regional Committee for Europe, the official web site of the Prime Minister of Russia, 13 September 2010. premier.gov.ru/eng/events/news/12158/.

DCF discussed issues of international development cooperation including innovative sources of development financing and public-private partnerships in development cooperation.³³¹ According to the Russian Ministry of Foreign Affairs Russia regards innovative approaches to development financing as one of the priorities and important of international aid architecture strengthening.³³² However, no facts of Russia's use of new approaches that encourage development financing from both public and private sources during the compliance period have been registered.

Russia has supported development financing but hasn't taken new approaches that encourage development financing from both public and private sources. Thus, it has been awarded a score of 0.

Analyst: Mark Rakhmangulov

Saudi Arabia: -1

Saudi Arabia has not complied with the commitment on development finance.

On 10 October 2010, the Kingdom signed a Memorandum of Understanding (MoU) with the United Nations Children's Emergency Fund (UNICEF) in Islamabad to provide a grant of more than SAR87 million (USD23.3 million) for humanitarian activities in Pakistan. The agreement was signed between the Saudi Fund for Development (SFD) and UNICEF. "This grant by the Government of Saudi Arabia is for urgent support to maternal and child health care, nutrition services for children and pregnant women, and providing safe drinking water and adequate sanitation facilities in Internally Displaced Persons (IDP) camps," said Mohamed Al-Arifi, head of the SFD delegation.³³³ However, humanitarian assistance can not be considered as compliance with this commitment.

Thus, Saudi Arabia is awarded a score of -1 for non-compliance.

Analyst: Yuriy Zaytsev

South Africa: -1

South Africa has failed to comply with the development commitment.

On 21 September 2010 Minister of International Relations and cooperation of South Africa M.Nkoana-Mashabane in the Statement at High-Level Plenary Meeting of the 65-th Session of the UN General Assembly on the Millennium Development Goals emphasized that the multiple and interrelated crises which put an enormous burden on

³³⁰ On the outcomes of the Development Cooperation Forum of ECOSOC, the official web site of the Ministry of Foreign Affairs of Russia, 2 July 2010.
www.mid.ru/brp_4.nsf/0/A63EEA2FA4411851C325775400480D9A.

³³¹ 2010 Development Cooperation Forum President's Summary Development Cooperation Forum 2010, the official web site of the United Nations, 16 July 2010.
www.un.org/en/ecosoc/julyhls/pdf10/2010_dcf_president_long_summary.pdf.

³³² On the outcomes of the Development Cooperation Forum of ECOSOC, the official web site of the Ministry of Foreign Affairs of Russia, 2 July 2010.
www.mid.ru/brp_4.nsf/0/A63EEA2FA4411851C325775400480D9A.

³³³ SAR87m Saudi aid pledged for the displaced in Pakistan, alSaudiArabia.com/SR87m-Saudi-aid-pledged-for-the-displaced-in-Pakistan/#more-23998, 10 October, 2010. Date of access: 24 October 2010.

countries, particularly the developing South, must not dampen determination to deliver on the commitments. South Africa is concerned by the fact that, internationally, progress in achieving the MDGs in Africa (especially Sub-Saharan Africa) still remains slowest.³³⁴

However, no facts of South Africa's support to development finance have been registered during the compliance period. Thus, South Africa gets a score of -1.

Analyst: Arina Shadrikova

Turkey: 0

Turkey has partially complied with its commitment to continue support development financing, since it has only relied on traditional development financing mechanisms.

On 3 July 2010, Turkish Foreign Minister Ahmet Davutoğlu signed an agreement providing a USD21 million donation to Kyrgyzstan. Officials said USD10 million would be in cash, while the rest USD11 million would be provided through construction activities to be carried out by the Turkish International Cooperation and Development Agency.³³⁵ On 25 August 2010, Turkish delegation, led by Foreign Ministry Deputy Undersecretary Hakkı Akil, presented a check for USD10 million in aid to Kyrgyz leader Roza Otunbayeva.³³⁶

On 20 July 2010, Turkish Foreign Minister Ahmet Davutoğlu pledged a contribution of USD2 million to UN to support election process in Afghanistan.³³⁷ On the next day Turkey launched its second Provincial Reconstruction Team (PRT) in Afghanistan which would focus on providing humanitarian assistance and helping Afghan authorities with capacity-building, development and reconstruction.³³⁸

On 23 July 2010, twenty doctors departed for Tanzania to provide medical help to the people of this country as part of a joint project of the Turkish Cooperation and Development Agency and the Aegean Health Association. Turkish doctors examined

³³⁴ Statement by H.E. MS M.Nkoana-Mashabane Minister of international Relations and cooperation of South Africa at High-Level Plenary Meeting of the 65th Session of the United Nations General Assembly on the Millennium Development Goals, Department of international Relations and cooperation of South Africa, 21 September 2010. Date of Access: 15 October 2010. www.dfa.gov.za/docs/speeches/2010/mash0921.html

³³⁵ Turkey offers USD21 million financial aid to Kyrgyzstan, Today's Zaman, 4 July 2010. Date of access: 8 September 2010. www.todayszaman.com/tz-web/news-215078-turkey-offers-21-million-financial-aid-to-kyrgyzstan.html

³³⁶ Turkish delegation meets Otunbayeva, delivers USD10 million in aid, Today's Zaman, 27 August 2010. Date of access: 9 September 2010. www.todayszaman.com/tz-web/news-220196-turkish-delegation-meets-otunbayeva-delivers-10-mln-in-aid.html

³³⁷ Turkish foreign minister: Turkey to continue to support Afghanistan, Today's Zaman, 20 July 2010. Date of access: 9 September 2010. www.todayszaman.com/tz-web/news-216609-turkish-foreign-minister-turkey-to-continue-to-support-afghanistan.html

³³⁸ Turkey steps up assistance to Afghanistan with new PRT, Today's Zaman, 22 July 2010. Date of access: 9 September 2010. www.todayszaman.com/tz-web/news-216787-turkey-steps-up-assistance-to-afghanistan-with-new-prt.html

nearly 5,000 patients and carried out about 60 surgeries. Moreover, they distributed nearly 3,500 mosquito nets to Tanzanians as a measure against malaria.³³⁹

Turkey demonstrated determination to support development through traditional official sources, but additional action is needed in the field of innovative development financing, thus Turkey was given a score of 0.

Analyst: Ekaterina Maslovskaya

United Kingdom: +1

The UK has fulfilled both parts of this commitment supporting traditional and new approaches to development financing.

In its Draft Structural Reform Plan published on 27 July 2010 the Department for International Development (DFID) confirms the commitment to spend 0.7% of GNI on overseas aid from 2013 and plans to enshrine this commitment in law till November 2011.³⁴⁰

In the recent MDG Gap Task Force Report 2010 presented at the General Assembly in September 2010 the UK takes the fourth place among donors in order of aid volume.³⁴¹ At the General Assembly Deputy Prime Minister Nick Clegg also announced that the UK will increase its funding on malaria prevention and treatment to as much as GBP500 million (USD802 million) per year by 2014 from current spending of about GBP150 million (USD240.6 million).³⁴²

Moreover, in September 2010, the UK reinforced its commitment to improving the health of women and children as the International Development Secretary, Andrew Mitchell, launched a new research programme which aims at tackling chronic malnutrition and will start in 2011 and cost GBP6 million (USD9.62 million) over 5 years.³⁴³

The UK also supports new approaches that encourage development financing from both public and private sources. In its Draft Structural Reform Plan the DFID commits to become more private-sector friendly by developing new projects on property rights,

³³⁹ Turkish doctors carry medical help to Tanzania, Today's Zaman, 23 July 2010. Date of access: 9 September 2010. www.todayszaman.com/tz-web/news-216943-turkish-doctors-carry-medical-help-to-tanzania.html

³⁴⁰ Department for International Development Draft Structural Reform Plan, the official web site of the Department for International Development, 27 July 2010. Date of Access: 14 October 2010. www.number10.gov.uk/wp-content/uploads/SRP-DFID.pdf.

³⁴¹ The Global Partnership for Development at a Critical Juncture, the official web site of the UN, September 2010. Date of Access: 14 October 2010. Date of Access: 14 October 2010. [www.un.org/en/mdg/summit2010/pdf/10-43282_MDG_2010%20\(E\)%20WEBv2.pdf](http://www.un.org/en/mdg/summit2010/pdf/10-43282_MDG_2010%20(E)%20WEBv2.pdf).

³⁴² The UK will Help Halve the Number of Deaths Caused by Malaria in at Least Ten African Countries by 2015, Deputy Prime Minister Nick Clegg will Announce Today, the official web site of the Foreign and Commonwealth Office, 22 September 2010. Date of Access: 14 October 2010. www.fco.gov.uk/en/news/latest-news/?view=News&id=22904097.

³⁴³ UK Launches New Research Programme to Tackle Malnutrition, the official web site of the Foreign and Commonwealth Office, 22 September 2010. Date of Access: 14 October 2010. www.fco.gov.uk/en/news/latest-news/?view=News&id=22904443.

microfinance and SME finance and creating new Private Sector team within DFID.³⁴⁴ On 12 October 2010, International Development Secretary Andrew Mitchell also announced that the UK will step-up and intensify its work with business and enterprise as part of the battle against poverty in the poorest countries by increasing private investment and developing a level playing field for all investors in the poorest countries, with a fairer and more open trading regime, reduced barriers to market entry and streamlined regulation to speed up the process of doing business.³⁴⁵ Department for International Development also commissioned a report, looking at the different options for involving the private sector in Reducing emissions from deforestation and forest degradation in developing countries (REDD+).³⁴⁶

The UK supports development financing using traditional approaches and supports new approaches that encourage development financing from both public and private sources, therefore, its score is +1 for the fulfillment of this commitment.

Analyst: Natalia Churkina

United States: +1

USA has fully complied with its commitment on development financing.

In his remarks at the Millennium Development Goals Summit, in September 2010, President Barak Obama announced the creation of a new U.S. foreign aid policy. First, the efforts will be measured not by the dollars the U.S. spent but by the success of the aid. Second, the ultimate goal of ODA will be not short-term assistance, but sustainable development aid. President also assured that the U.S. has been and will remain the global leader in providing assistance.³⁴⁷

In September 2010, under a broader agreement to increase the Inter-American Development Bank's (IDB) capital, the U.S. government contributed a total of USD237.4 million to the Fund for Special Operations, which provides concessional lending to the Bank's least developed member countries. The USD204 million of this sum allowed to cancel Haiti's debt.³⁴⁸

In September 2010, the USA reprogrammed another USD4.38 million in economic aid

³⁴⁴ Department for International Development Draft Structural Reform Plan, the official web site of the Department for International Development, 27 July 2010. Date of Access: 14 October 2010. www.number10.gov.uk/wp-content/uploads/SRP-DFID.pdf.

³⁴⁵ Mitchell: Private Sector Holds the Key to Tackling Global Poverty, the official web site of the Department for International Development, 12 October 2010. Date of Access: 14 October 2010. www.dfid.gov.uk/Media-Room/Press-releases/2010/Mitchell-Private-sector-holds-the-key-to-tackling-global-poverty/

³⁴⁶ REDD+ Options for Involving Private Sector, the official web site of the Department for International Development, 5 August 2010. Date of Access: 14 October 2010. www.dfid.gov.uk/Media-Room/News-Stories/2010/REDD-options-for-involving-private-sector/.

³⁴⁷ Remarks by President Barack Obama at the Millennium Development Goals Summit, the official web site of the United States Mission to the United Nations, 22 September 2010. Date of Access: 14 October 2010. usun.state.gov/briefing/statements/2010/147593.htm

³⁴⁸ With U.S. contribution, IDB cancels Haiti's remaining debt, ReliefWeb, 30 September 2010. Date of Access: 18 October 2010. www.reliefweb.int/rw/rwb.nsf/db900SID/KHII-89T3VV?OpenDocument

for recovery efforts for flood-hit Guatemala³⁴⁹ and granted USD19 million to Burundi to support economic growth and improve governance in this country.³⁵⁰

Apart from traditional development financing, the U.S. have introduced a number of innovative mechanisms to encourage development financing from both public and private sources.

On 18 August 2010, the Coca-Cola Company and the US Agency for International Development (USAID) announced that USAID will provide an initial contribution of USD1 million to the Haiti Hope Project, a public-private initiative that aims to improve local mango farming capacity.³⁵¹

USAID, Babson College, and the Global Entrepreneurship Monitor (GEM) announced a new project that will measure entrepreneurship rates and characteristics influencing small and medium business growth in Egypt, Turkey, Nigeria, Pakistan, and Bangladesh. Policymakers in these nations can use this data to promote the small businesses.³⁵²

In October 2010 the USAID announced the launch of Development Innovation Ventures (DIV) project. This program will allow to incubate innovations intended for either the private or public sectors in developing countries. DIV's goal is to identify and support innovations that can match the scale of microfinance — 75 million end users worldwide.³⁵³

Since the US has complied with both parts of the commitment, it receives a score of +1.

Analyst: Tatyana Lanshina

European Union: +1

The EU has fully complied with the commitment on development.

On 14 October 2010 the High Representative for the Union on Foreign Affairs and Security Policy Catherine Ashton claimed that the EU works on developing a longer-term strategy to help Pakistan's reconstruction and economic development, bolstering political support to improve institution and capacity building in Pakistan and help Pakistan's democratic institutions to combat extremism.³⁵⁴

³⁴⁹ US provides relief for floods in Guatemala, AFP, 7 September 2010. Date of Access: 14 September 2010. www.google.com/hostednews/afp/article/ALeqM5iAFyXiUIPFAqo0MJU17IBNCHXH3w

³⁵⁰ U.S. gives Burundi USD19 million to support growth, Reuters Africa, 10 September 2010. Date of Access: 14 September 2010. af.reuters.com/article/burundiNews/idAFLDE6891FP20100910

³⁵¹ The Coca-Cola Company's Haiti Hope Project Momentum Continues With Investment From United States Government, the official web site of the USAID, 18 August 2010. Date of Access: 1 October 2010. www.usaid.gov/press/releases/2010/pr100818.html

³⁵² New Initiative will Identify Policy Measures to Promote Development and Entrepreneurship, the official web site of USAID, 22 September 2010. Date of Access: 22 October 2010. www.usaid.gov/press/releases/2010/pr100922_3.html

³⁵³ USAID Announces Development Innovation Ventures Program, the official web site of USAID, 8 October 2010. Date of Access: 20 October 2010. www.usaid.gov/press/releases/2010/pr101008.html

³⁵⁴ Remarks made by High Representative Catherine Ashton on Pakistan, A 208/10 Council of the European Union, 14 October 2010. Date of Access: 14 October 2010.

www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/117087.pdf

On 9 July 2010 the representatives from the European Commission, the World Bank, other multilateral development banks, bilateral development aid agencies, development financing organizations, and the private sector have gathered to draw attention to the financing gaps that face many developing countries as they seek to protect existing infrastructure and plan new infrastructure projects or programs to create jobs and boost their economies. Stefano Manservigi, Director General for Development and Relations with African, Caribbean and Pacific States in the European Commission said: “As we did in Europe, we should invest in infrastructure as a means to create growth and jobs in developing countries. If development policy is going to help tackle poverty, aid needs to become much better at leveraging other sources of finance. Europe accounts for almost 60% of official aid and the World Bank is one of the largest sources of financial and technical assistance.”³⁵⁵

14 July 2010 during the EU-Brazil Summit both sides stressed the importance of building on and implementing the global partnership for development as agreed in the Monterrey Consensus. They support innovative Financing for Development and welcome the ongoing work of the Task Force on International Financial Transactions for Development and of the Task Force on Innovative financing for Education.³⁵⁶

At its September meeting the Council set out a roadmap to gradually resume development cooperation with Niger during its return to constitutional order, thus concluding consultations under article 96 of the ACP-EU Cotonou Agreement.³⁵⁷

On 25 October 2010, the Commission adopted the decision to financially support the 2011 electoral process in the Central African Republic. The support will be financed under the 10th European Development Fund (EDF) which is the main EU financial instrument for development aid and under which a EUR4 million contribution had originally been allocated. The EU’s decision to increase its contributions to a final total of EUR9.5 million testifies to the depth of its commitment to reinforcing democracy in the Central African Republic.³⁵⁸

Thus, the EU actively supports development financing and gets a score +1.

Analyst: Arina Shadrikova

³⁵⁵ Donor drive to boost infrastructure in developing countries, the official web site of the European Union, 9 July 2010. Date of access: 26 October 2010.
europa.eu/rapid/pressReleasesAction.do?reference=IP/09/1110&format=HTML&aged=0&language=EN&guiLanguage=en

³⁵⁶ IV European Union-Brazil Summit Joint Statement, 12302/10 PRESSE 209 Council of the European Union, 15 July 2010. Date of Access: 12 October 2010.
www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/er/115812.pdf

³⁵⁷ Council sets out roadmap for resuming development cooperation with Niger. Brussels, 27 September 2010, Date of access: 5 November 2010.
www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/116735.pdf

³⁵⁸ The European Commission grants EUR9.5 million to support the electoral process in the Central African Republic, the official web site of the European Union, 25 October 2010. Date of access: 26 October 2010.
europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1375&format=HTML&aged=0&language=EN&guiLanguage=en

5. Finance [26]

Commitment

“We agreed to strengthen financial market infrastructure by accelerating the implementation of strong measures to improve transparency and regulatory oversight of hedge fund, credit rating agencies and over-the-counter derivatives, in an internationally consistent and non-discriminatory way.”

G20 Leaders Declaration

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina		0	
Australia		0	
Brazil		0	
Canada			+1
China		0	
France		0	
Germany			+1
India		0	
Indonesia	-1		
Italy			+1
Japan		0	
Korea		0	
Mexico	-1		
Russia		0	
South Africa	-1		
Saudi Arabia	-1		
Turkey		0	
United Kingdom			+1
United States			+1
European Union			+1
Average Score			+0.10

Background

Since the onset of the global financial crisis, G20 leaders have prioritized financial regulatory reform. The 2008 Washington Leaders' Summit Communiqué noted the importance of accountability and transparency in the trade of complex financial instruments and highlighted the necessity of more vigorous regulation of credit rating agencies.³⁵⁹ These statements were expanded on in the 2009 London and Pittsburgh Summit communiqués, resulting in the creation of the Financial Stability Board (FSB), which was tasked with monitoring individual states' financial regulatory reforms and ensuring that these reforms are implemented in a consistent manner.³⁶⁰

³⁵⁹ Declaration – Washington, USA, G20 Presidential Leaders' Committee (Seoul), 15 November 2008. Date of Access 10 October 2010. www.g20.org/pub_communiques.aspx.

³⁶⁰ London Leaders' Statement – The Global Plan for Recovery and Reform, G20 Presidential Leaders' Committee (Seoul), 2 April 2009. Date of Access 10 October 2010. www.g20.org/pub_communiques.aspx

At the London Summit, G20 leaders committed to “extend regulation and oversight to all systemically important financial institutions, instruments and markets” including hedge funds.³⁶¹ The Pittsburgh G20 Communiqué made note of the progress made by member states in increasing the regulation and transparency of hedge funds, in part through tougher regulations devised by the International Organization for Securities Commissions (IOSCO).³⁶² The FSB was tasked with monitoring countries’ implementation of hedge fund regulations and to cultivate mechanisms for information sharing between state regulatory actors.³⁶³

At the Pittsburgh Summit, G20 Leaders agreed that by 2012 over-the-counter (OTC) derivatives must be traded on exchanges or on electronic platforms and must also be cleared through central counterparties, institutions which mediate the trade of financial instruments in order to minimize the impact of defaults. In addition, contracts for OTC derivatives must be reported to government regulatory bodies.³⁶⁴ A progress report prepared by the FSB for the Toronto Summit noted that progress had been made toward achieving this goal. The report also noted the importance of making domestic regulation consistent with international policies in order to prevent arbitrage.³⁶⁵

Commitment Features

This commitment requires that states continue the process of drafting and/or implementing policies that comply with G20 requirements for regulation and transparency of hedge funds, credit rating agencies, and OTC derivatives, in accordance with established deadlines.

G20 leaders have called for increased oversight and transparency for large hedge funds, as well as registration for hedge fund managers. In February 2010, IOSCO recommended that by September 2010 states should require hedge funds to report standardized data to national supervisors, including (but not limited to) “information such as the manager’s name, number of funds and equity owners; as well as the names of auditors, custodians, recent performance, redemptions, total assets under management and the value of long and short positions in different assets.”³⁶⁶ Furthermore, on 22 June 2009 IOSCO backed a proposal requiring mandatory registration of hedge fund managers.³⁶⁷

³⁶¹ London Leaders' Statement – The Global Plan for Recovery and Reform, G20 Presidential Leaders' Committee (Seoul), 2 April 2009. Date of Access 10 October 2010. www.g20.org/pub_communique.aspx

³⁶² Leaders' Statement: The Pittsburgh Summit, United States Department of State (Washington), 25 September 2009. Date of Access 10 October 2010. www.pittsburghsummit.gov/mediacenter/129639.htm

³⁶³ Progress and Issues on the G20 Regulatory Reform Agenda, Financial Stability Board (Basel), 24 June 2010. Date of Access 10 October 2010. www.financialstabilityboard.org/list/fsb_publications/index.htm

³⁶⁴ Progress and Issues on the G20 Regulatory Reform Agenda, Financial Stability Board (Basel), 24 June 2010. Date of Access 10 October 2010. www.financialstabilityboard.org/list/fsb_publications/index.htm

³⁶⁵ Overview of Progress in the Implementation of G20 Recommendations for Strengthening Financial Stability, Financial Stability Board (Basel), 18 June 2010. Date of Access 10 October 2010. www.financialstabilityboard.org/list/fsb_publications/index.htm

³⁶⁶ Hedge Funds to Report Unified Data from Sept, Reuters (London) 25 February 2010. Date of Access 31 October 2010. www.reuters.com/article/idUSTRE61O2VA20100225

³⁶⁷ Hedge Funds Oversight – Final Report, IOSCO (Madrid) 29 June 2009. Date of Access 31 October 2010. www.fsa.go.jp/inter/ios/20090626/03.pdf

G20 member states are also tasked with establishing oversight and regulatory frameworks for credit rating agencies by the end of 2009 in keeping with the 2008 modifications to the IOSCO Code of Conduct for Credit Rating Agencies. These modifications are outlined in an IOSCO Media Release from 28 May 2008 and include measures that enhance the quality and integrity of the ratings process, ensure independence and avoidance of conflict of interest, and broaden credit rating agencies’ responsibilities to the issuing public and issuers.³⁶⁸

G20 members also agreed that by 2012 OTC derivatives must be traded on exchanges or on electronic platforms and must also be cleared through CCPs. In addition, contracts for OTC derivatives must be reported to government regulatory bodies.

Because this particular commitment has been made at multiple summits, measures implemented before the Toronto Summit that comply with the rules and regulations mentioned above count toward scoring.

Scoring Guidelines

-1	G20 member makes substantive progress in implementing NO measures to improve transparency and regulatory oversight of : 1) hedge funds; 2) credit rating agencies, and 3) over-the-counter derivatives in an internationally consistent and non-discriminatory way.
0	G20 member makes substantive progress in implementing measures to improve transparency and regulatory oversight of ONE OR TWO of the following: 1) hedge funds; 2) credit rating agencies, and 3) over-the-counter derivatives in an internationally consistent and non-discriminatory way.
+1	G20 member makes substantive progress in implementing measures to improve transparency and regulatory oversight of ALL of the following: 1) hedge funds; 2) credit rating agencies, and 3) over-the-counter derivatives in an internationally consistent and non-discriminatory way.

Please note that states whose financial infrastructure does not yet allow for the establishment of hedge funds, credit rating agencies, or over-the counter derivatives will be considered as having fully implemented measures to improve transparency and oversight for those areas. States will still be held accountable for implementing reforms in developed financial sectors.

Argentina: 0

Argentina has partially complied with its commitment to improve transparency and regulatory oversight in the areas of: 1) hedge funds 2) credit rating agencies and 3) over-the-counter derivatives.

On 15 October 2010 the IOCSO Committee on Emerging Markets released its Report on Securitization and Securitized Debt Instruments in Emerging Markets. The report notes

³⁶⁸ IOSCO to Implement Changes to Code of Conduct for Credit Rating Agencies, IOSCO (Madrid) 28 May 2008. Date of Access 31 October 2010. www.iosco.org/news/pdf/IOSCONEWS120.pdf

that Argentina is one of 19 surveyed emerging economies that have established registration regimes for credit rating agencies, in keeping with the IOSCO Code of Conduct. The report also notes that some of the 19 economies mentioned had not fully implemented the reforms required to align themselves with the 2008 amendment to the IOSCO Code.³⁶⁹

Argentina has drafted or begun to implement reform measures in one of the three key areas outlined in this commitment, and has therefore been awarded a score of 0.

Analyst: Robin Elliott

Australia: 0

Australia has partially complied with its commitment to improve transparency and regulatory oversight in the areas of: 1) hedge funds 2) credit rating agencies and 3) over-the-counter derivatives.

In May 2009, the Australian Prudential Regulation Authority (APRA), Australian Securities and Investments Commission (ASIC) and the Reserve Bank of Australia published a report on the OTC derivatives market in Australia that indicated that efforts were already underway to move trading to OTC derivatives to electronic platforms and to increase presence of CCPs for derivatives contracts.³⁷⁰ On 22 July 2010 ASIC released REP 201, a review of disclosure for capital protected products and retail structured or derivative products, which provided guidance and regulation for the over-the-counter derivative market.³⁷¹

On 22 May 2008 Senator the Honourable Nick Sherry, the Australian Minister for Superannuation and Corporate Law, requested that the Treasury and the Australian Securities and Investments Commission (ASIC) conduct a review into the regulation and operations of credit rating agencies in Australia.³⁷² This review³⁷³ was subsequently completed by ASIC and was then updated according to 09-224MR³⁷⁴ from 1 January

³⁶⁹ Securitization and Securitized Debt Instruments in Emerging Markets, IOSCO (Madrid) 15 October 2010. Date of Access 25 October 2010. www.iosco.org/library/pubdocs/pdf/IOSCOPD334.pdf

³⁷⁰ Survey of the OTC Derivatives Market in Australia, Australian Prudential Regulation Authority, Australian Securities and Investments Commission and the Reserve Bank of Australia (Australia) May 2009. Date of Access: 20 October 2010. [www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/REP158_SurveyOfTheDerivatives.pdf/\\$file/REP158_SurveyOfTheDerivatives.pdf](http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/REP158_SurveyOfTheDerivatives.pdf/$file/REP158_SurveyOfTheDerivatives.pdf)

³⁷¹ REP 201 Review of disclosure for capital protected products and retail structured or derivative products, Australia Securities and Investments Commission (Australia) 22 July 2010. Date of Access: 20 October 2010. [www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/REP201-PDS-reviews-2010-7-14.pdf/\\$file/REP201-PDS-reviews-2010-7-14.pdf](http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/REP201-PDS-reviews-2010-7-14.pdf/$file/REP201-PDS-reviews-2010-7-14.pdf)

³⁷² Review of Credit Rating Agencies and Research Houses, Australian Government (Australia) 13 November 2008. Date of Access: 20 October 2010. www.treasury.gov.au/contentitem.asp?navid=&contentid=1441

³⁷³ Review of Credit rating agencies and research house, Treasury and Australian Securities and Investments Commission (ASIC) October 2008. Date of Access: 20 October 2010. [www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/rep143.pdf/\\$file/rep143.pdf](http://www.asic.gov.au/asic/pdflib.nsf/LookupByFileName/rep143.pdf/$file/rep143.pdf)

³⁷⁴ 09-224MR ASIC outlines improvements to regulation of credit rating agencies in Canada, Australian Securities and Investments Commission (Australia) 12 November 2009. Date of Access: 20 October 2010.

2010, which requires that credit rating agencies hold an Australian Financial Services (AFS) licence. Under the AFS licensing regime, general licensee obligations set out in the Corporations Act require that credit rating agencies manage conflicts of interest that may arise in their businesses, have resources available (including financial, human and information technology resources) that are adequate for the nature, scale and complexity of their businesses, ensure their credit analysts are trained and competent to be involved in the preparation of credit ratings, ensure credit rating services are provided efficiently, honestly and fairly, and have in place risk management systems.

Australia has drafted or begun to implement reform measures in two of the three key areas outlined in this commitment and has therefore been awarded a score of 0.

Analyst: Faiyyad Hosein

Brazil: 0

Brazil has partially complied with its commitment to improve transparency and regulatory oversight with respect to: 1) hedge funds 2) credit rating agencies and 3) over-the-counter derivatives.

According to the European Commission progress report on G20 financial regulatory commitments, Brazilian hedge funds are highly regulated and meet the standards set by the FSB and IOSCO.³⁷⁵

The Brazilian market for OTC derivatives is highly regulated as trades in OTC derivatives must be registered and cleared through an official clearing house, such as the CETIP OTC Clearing House, as well as the Derivatives Clearing House of the Brazilian Securities, Commodities and Futures Exchange.³⁷⁶ These regulations are in line with FSB recommendations.

As of 1 October 2010, credit rating agencies are not regulated in Brazil, but a stocktaking exercise is ongoing.³⁷⁷

Brazil has drafted or begun to implement reform measures in two of the three key areas outlined in this commitment and has therefore been awarded a score of 0.

Analysts: Robin Elliott and Sarah Ellis

www.asic.gov.au/asic/asic.nsf/byheadline/09-224MR-ASIC-outlines+-improvements-to-regulation-of-credit-rating-agencies-in-Australia?openDocument#

³⁷⁵ G20 COMMITMENTS PROGRESS TABLE (BRAZIL, CHINA, INDIA, JAPAN, RUSSIA): – SEPTEMBER 2010, European Commission (Brussels, Belgium), 1 October 2010. Date Accessed: 23 October 2010. ec.europa.eu/commission_2010-2014/barnier/docs/news/2010/g20_roadmap/101001-impl-table_en.pdf

³⁷⁶ Derivatives Regulation in Brazil, Mondaq (New York) 17 March 2010. Date of Access 26 October 2010. www.mondaq.com/article.asp?articleid=96020

³⁷⁷ G20 COMMITMENTS PROGRESS TABLE (BRAZIL, CHINA, INDIA, JAPAN, RUSSIA): – SEPTEMBER 2010, European Commission (Brussels, Belgium), 1 October 2010. Date Accessed: 23 October 2010. ec.europa.eu/commission_2010-2014/barnier/docs/news/2010/g20_roadmap/101001-impl-table_en.pdf

Canada: +1

Canada has fully complied with its commitment to improve transparency and regulatory oversight with respect to hedge funds, credit rating agencies and over-the-counter derivatives.

On 15 October 2010, the Canadian Securities Administrator (CSA) published Notice 31-20, a request for comment on proposed amendments to Canadian financial policy related to registration of international and domestic investment funds, including hedge funds.³⁷⁸ The proposed amendments comply with IOSCO and FSB recommendations.

On 16 July 2010, the CSA published a notice and request for comments on a proposed National Instrument, NI 25-101, which would introduce oversight and regulation for domestic credit rating agencies.³⁷⁹ The notice states, “as the conduct of [CRAs’] business may have a significant impact upon financial markets, and because ratings continue to be referred to within securities legislation, we think it is appropriate to develop a securities regulatory regime for CROs that is consistent with international standards and developments.”³⁸⁰ The proposed National Instrument’s purpose and content is in line with the revised IOSCO Code of Conduct.

On 26 May 2010, the Canadian Ministry of Finance released for comment the proposed Canadian Securities Act. The Act seeks to establish a new securities regulator and better protect investors across Canada. The Act also contains details on the reform of OTC derivatives markets.³⁸¹

In June 2010, the Bank of Canada published its “Financial System Review” which describes the reform initiatives proposed by the Office of the Superintendent for Financial Institutions and the Bank of Canada, including enhanced oversight of hedge funds and OTC derivatives.³⁸² These proposed reforms include the implementation of IOSCO registration requirements for hedge funds.

³⁷⁸ CSA NOTICE 31-20, Canadian Securities Administrator (Canada) 15 October 2010. Date of Access: 19 October 2010. www.osc.gov.on.ca/en/SecuritiesLaw_20101015_31-320_request_for_comment.htm

³⁷⁹ NOTICE AND REQUEST FOR COMMENT PROPOSED NATIONAL INSTRUMENT 25-101 DESIGNATED RATING ORGANIZATIONS, RELATED POLICIES AND CONSEQUENTIAL AMENDMENTS, Canadian Securities Administrator (Canada) 16 July 2010. Date of Access: 19 October 2010. www.osc.gov.on.ca/documents/en/Securities-Category2/rule_20100716_25-101_designated-rating.pdf

³⁸⁰ NOTICE AND REQUEST FOR COMMENT PROPOSED NATIONAL INSTRUMENT 25-101 DESIGNATED RATING ORGANIZATIONS, RELATED POLICIES AND CONSEQUENTIAL AMENDMENTS, Canadian Securities Administrator (Canada) 16 July 2010. Date of Access: 19 October 2010. www.osc.gov.on.ca/documents/en/Securities-Category2/rule_20100716_25-101_designated-rating.pdf

³⁸¹ Proposed Canadian Securities Act (Ottawa) 25 May 2010. Date of Access: 19 October 2010. www.fin.gc.ca/drleg-apl/csa-lvm.pdf

³⁸² Financial System Review, Bank of Canada (Ottawa) June 2010. Date of Access: 19 October 2010. www.bankofcanada.ca/en/fsr/2010/fsr_0610.pdf

Canada has drafted or begun to implement reform measures in all of the three key areas outlined in this commitment and has therefore been awarded a score of +1.

Analyst: Faiyyad Hosein

China: 0

China has partially complied with its commitment to improve transparency and regulatory oversight with respect to: 1) hedge funds 2) credit rating agencies and 3) over-the-counter derivatives.

Hedge funds have not yet been established within China, so it is not subject to scoring for this portion of the commitment.³⁸³

According to the European Commission's assessment of the implementation of G20 financial sector reforms among BRICs members, China has not yet passed new laws on regulation and oversight of credit rating agencies.³⁸⁴

China has established the Shanghai Clearing House, which currently acts as a central clearing platform for the trading of OTC derivatives, in compliance with the third requirement of this commitment.³⁸⁵

China has drafted or begun to implement reform measures in one of the three key areas outlined in this commitment and is exempt from scoring in another of the key areas, and has therefore been awarded a score of 0.

Analyst: Robin Elliott

France: 0

France has partially complied with its commitment to improve transparency and regulatory oversight with respect to: 1) hedge funds 2) credit rating agencies and 3) over-the-counter derivatives.

On 2 June 2010 the European Commission issued a press release³⁸⁶ and impact assessment³⁸⁷ which highlight specific measures and amendments to the European Union

³⁸³ G20 COMMITMENTS PROGRESS TABLE (BRAZIL, CHINA, INDIA, JAPAN, RUSSIA): – SEPTEMBER 2010, European Commission (Brussels), 1 October 2010. Date Accessed: 23 October 2010. ec.europa.eu/commission_2010-2014/barnier/docs/news/2010/g20_roadmap/101001-impl-table_en.pdf

³⁸⁴ G20 COMMITMENTS PROGRESS TABLE (BRAZIL, CHINA, INDIA, JAPAN, RUSSIA): – SEPTEMBER 2010, European Commission (Brussels), 1 October 2010. Date Accessed: 23 October 2010. ec.europa.eu/commission_2010-2014/barnier/docs/news/2010/g20_roadmap/101001-impl-table_en.pdf

³⁸⁵ The Establishment of the Shanghai Clearing House in Shanghai, Shanghai Clearing House (Shanghai). Date of Access 24 October 2010. www.shclearing.com/English/ShowInfo.asp?InfoID=130

³⁸⁶ Commission proposes improved EU supervision of Credit Rating Agencies and launches debate on corporate governance in financial institutions, European Commission (Brussels), 2 June 2010. Date of Access: 18 October 2010. europa.eu/rapid/pressReleasesAction.do?reference=IP/10/656&format=HTML&aged=0&language=EN&uiLanguage=en

³⁸⁷ Summary of the Impact Assessment: Accompanying document to the Proposal for a Regulation of the European Parliament and Council amending Regulation (EC) No 1060/2009 on credit rating agencies, European Commission (Brussels), 2 June 2010. Date of Access: 18 October 2010. ec.europa.eu/internal_market/securities/docs/agencies/100602-resume-impact-assessment_en.pdf

rules on credit rating agencies that will increase supervision. These changes will be implemented by a new European Securities and Markets Authority, which would be endowed with exclusive supervision powers over credit rating agencies registered in the EU. This would include also the European subsidiaries of well-known CRAs such as Fitch, Moody's and Standard & Poor's. Under the EU membership, France will be subject to the new rules.

On 15 September 2010 the European Commission issued a press release³⁸⁸ and impact assessment³⁸⁹ on proposed regulation on OTC derivatives, central counterparties and trade repositories. The proposal will move on to the European Parliament and the EU Member States for consideration.³⁹⁰ Once adopted, the regulation would apply from the end of 2012. As a member of the European Union, France will be subject to the new rules.

In late October 2010, European Union finance ministers, including France, reached a unanimous compromise on a proposed alternative investment fund managers (AIFM) directive, which would bring hedge funds under stricter regulation.³⁹¹ The proposed measure will go to vote in November in the EU Parliament.³⁹²

France has drafted or begun to implement reform measures in two of the three key areas outlined in this commitment and has therefore been awarded a score of 0 on this commitment.

Analyst: Faiyyad Hosein

Germany: +1

Germany has fully complied with its commitment to improve transparency and regulatory oversight with respect to: 1) hedge funds 2) credit rating agencies and 3) over-the-counter derivatives.

³⁸⁸ Making Derivatives markets in Europe Safer and More Transparent, European Commission (Brussels), 15 September 2010. Date of Access: 18 October 2010.

europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1125&format=HTML&aged=0&language=EN&guiLanguage=en

³⁸⁹ Impact Assessment, Accompanying document to the Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on OTC derivatives, central counterparties and trade repositories, European Commission (Brussels), 15 September 2010. Date of Access: 18 October 2010. ec.europa.eu/internal_market/financial-markets/docs/derivatives/20100915_impact_assessment_en.pdf

³⁹⁰ Impact Assessment, Accompanying document to the Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on OTC derivatives, central counterparties and trade repositories, European Commission (Brussels), 15 September 2010. Date of Access: 18 October 2010. ec.europa.eu/internal_market/financial-markets/docs/derivatives/20100915_impact_assessment_en.pdf

³⁹¹ European Union AIFM Directive Set for November Vote, Hedge Fund Review, 26 October 2010. Date of Access: 28 October 2010. www.hedgefundsreview.com/hedge-funds-review/news/1811137/european-union-aifm-directive-set-november-vote

³⁹² European Union AIFM Directive Set for November Vote, Hedge Fund Review, 26 October 2010. Date of Access: 28 October 2010. www.hedgefundsreview.com/hedge-funds-review/news/1811137/european-union-aifm-directive-set-november-vote

On 2 June 2010, the European Commission issued a press release³⁹³ and impact assessment³⁹⁴ which highlight specific measures and amendments to the EU rules on credit rating agencies that will increase supervision. These changes will be implemented by a new European Securities and Markets Authority, which would be endowed with exclusive supervision powers over credit rating agencies registered in the EU. This would include also the European subsidiaries of well-known CRAs such as Fitch, Moody's and Standard & Poor's. Germany, as a member of the EU, is party to these new rules.

On 15 September 2010, the European Commission issued a press release³⁹⁵ and impact assessment³⁹⁶ on proposed regulation on OTC derivatives, central counterparties and trade repositories. This proposal will move to the European Parliament and the European Union Member States for consideration. Once adopted, the regulation would apply from the end of 2012. As a member of the European Union, Germany will be subject to these new rules.

In late October 2010, European Union finance ministers, including Germany, reached a unanimous compromise on a proposed alternative investment fund managers (AIFM) directive, which would bring hedge funds under stricter regulation.³⁹⁷ The proposed measure will go to vote in November in the EU Parliament.³⁹⁸

In the third quarter of 2010, the German Federal Financial Supervisory Authority, or BaFin, published its BaFin Q3/2010 report, which demonstrated new minimum requirements for risk management (MaRisk) of asset management companies, including hedge funds.³⁹⁹

³⁹³ Commission proposes improved EU supervision of Credit Rating Agencies and launches debate on corporate governance in financial institutions, European Commission (Brussels), 2 June 2010. Date of Access: 18 October 2010.

europa.eu/rapid/pressReleasesAction.do?reference=IP/10/656&format=HTML&aged=0&language=EN&guiLanguage=en

³⁹⁴ Summary of the Impact Assessment: Accompanying document to the Proposal for a Regulation of the European Parliament and Council amending Regulation (EC) No 1060/2009 on credit rating agencies, European Commission (Brussels), 2 June 2010. Date of Access: 18 October 2010.

ec.europa.eu/internal_market/securities/docs/agencies/100602-resume-impact-assessment_en.pdf

³⁹⁵ Making Derivatives markets in Europe Safer and More Transparent, European Commission (Brussels), 15 September 2010. Date of Access: 18 October 2010.

europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1125&format=HTML&aged=0&language=EN&guiLanguage=en

³⁹⁶ Impact Assessment, Accompanying document to the Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on OTC derivatives, central counterparties and trade repositories, European Commission (Brussels), 15 September 2010. Date of Access: 18 October 2010. ec.europa.eu/internal_market/financial-markets/docs/derivatives/20100915_impact_assessment_en.pdf

³⁹⁷ European Union AIFM Directive Set for November Vote, Hedge Fund Review, 26 October 2010. Date of Access: 28 October 2010. www.hedgefundsreview.com/hedge-funds-review/news/1811137/european-union-aifm-directive-set-november-vote

³⁹⁸ European Union AIFM Directive Set for November Vote, Hedge Fund Review, 26 October 2010. Date of Access: 28 October 2010. www.hedgefundsreview.com/hedge-funds-review/news/1811137/european-union-aifm-directive-set-november-vote

³⁹⁹ Q3/10 BaFin Quarterly, Ba Fin (Germany). Date of Access: 18 October 2010.

www.bafin.de/cln_171/nn_722156/SharedDocs/Downloads/EN/Service/Mitteilungsblaetter/BaFinQuarterly/bq1003,templateId=raw,property=publicationFile.pdf/bq1003.pdf

Germany has drafted or begun to implement reform measures in all of the three key areas outlined in this commitment and has therefore been awarded a score of +1.

Analyst: Faiyyad Hosein

India: 0

India has partially complied with its commitment to improve transparency and regulatory oversight with respect to: 1) hedge funds 2) credit rating agencies and 3) over-the-counter derivatives.

On 15 October 2010 the IOCSO Committee on Emerging Markets released a report on Securitization and Securitized Debt Instruments in Emerging Markets. The report noted that India is one of 19 surveyed emerging economies that has established registration regimes for credit rating agencies, in keeping with the IOSCO Code of Conduct. The report also noted that some of the 19 economies mentioned had not fulfilled all of the supervisory and regulatory reforms required by the 2008 amendment to the IOSCO Code.⁴⁰⁰ On 3 May 2010 the Securities and Exchange Board prescribed norms for transparency and accountability for credit rating agencies.⁴⁰¹

On 15 October 2010 the Securities and Exchange Board of India took up shared leadership of an IOSCO task force on creating globally consistent regulations for OTC derivatives.⁴⁰² This initiative is in keeping with the G20 and FSB requirement that state-driven financial reform be internationally consistent.

In a 2010 working paper for the Indian Council for Research on International Economic Relations (ICRIER), Arora and Rathinam analyze the current regulatory framework in place for OTC derivatives in India. Currently, all trades in OTC derivatives must be supervised by a central counterparty, the CCIL, and must be reported within 30 minutes of the trade on a reporting platform.⁴⁰³ These measures are in keeping with G20 and FSF recommendations for oversight of OTC derivatives.

India has drafted or begun to implement reform measures in two of the three key areas outlined in this commitment and has therefore been awarded a score of 0.

Analysts: Robin Elliott and Sarah Ellis

Indonesia: -1

No information was found on the implementation of this commitment.

⁴⁰⁰ Securitization and Securitized Debt Instruments in Emerging Markets, IOSCO (Madrid) 15 October 2010. Date of Access 25 October 2010. www.iosco.org/library/pubdocs/pdf/IOSCOPD334.pdf

⁴⁰¹ Guidelines for Credit Rating Agencies, Securities and Exchange Board of India (Mumbai, India), 3 May 2010. Date of Access: 22 October 2010. www.sebi.gov.in/circulars/2010/cirmirsd06.pdf

⁴⁰² IOSCO forms Task Force on OTC Derivatives Regulation, International Organisation of Securities Commissioners (Madrid) 15 October 2010. Date of Access: 22 October 2010. www.iosco.org/news/pdf/IOSCONEWS191.pdf

⁴⁰³ Arora and Rathinam, OTC derivatives market in India: Recent regulatory initiatives and measures for market stability, Vox EU (United Kingdom) 11 May 2010. Date of Access 25 October 2010. www.voxeu.org/index.php?q=node/5026

In the absence of further information related to Indonesia's implementation of changes and strong measures with respect to: 1) hedge funds 2) credit rating agencies and 3) over-the-counter derivatives, Indonesia has been awarded a score of -1.

Analyst: Robin Elliott

Italy: +1

Italy has fully complied with its commitment to improve transparency and regulatory oversight with respect to: 1) hedge funds 2) credit rating agencies and 3) over-the-counter derivatives.

On 2 June 2010, the European Commission issued a press release⁴⁰⁴ and impact assessment⁴⁰⁵ which highlights specific measures and amendments to the EU rules on credit rating agencies that will improve supervision of credit rating agencies. These changes will implement a new European supervisory authority – the European Securities and Markets Authority, which would be entrusted with exclusive supervision powers over CRAs registered in the EU. This would include also the European subsidiaries of well-known CRAs such as Fitch, Moody's and Standard & Poor's. Italy, as a member of the EU, is party to these rules.

On 15 September 2010, the European Commission issued a press release⁴⁰⁶ and impact assessment⁴⁰⁷ on proposed regulation on OTC derivatives, central counterparties and trade repositories. This proposal is fully in line with the EU's G20 commitments and the approach adopted by the United States, and will move on to the European Parliament and the EU Member States for consideration. Once adopted, the regulation would apply from the end of 2012. Italy, as a member of the EU, is party to these new rules.

In late October 2010, European Union finance ministers, including France, reached a unanimous compromise on a proposed alternative investment fund managers (AIFM)

⁴⁰⁴ Commission proposes improved EU supervision of Credit Rating Agencies and launches debate on corporate governance in financial institutions, European Commission (Brussels), 2 June 2010. Date of Access: 18 October 2010.

europa.eu/rapid/pressReleasesAction.do?reference=IP/10/656&format=HTML&aged=0&language=EN&guiLanguage=en

⁴⁰⁵ Summary of the Impact Assessment: Accompanying document to the Proposal for a Regulation of the European Parliament and Council amending Regulation (EC) No 1060/2009 on credit rating agencies, European Commission (Brussels), 2 June 2010. Date of Access: 18 October 2010.

ec.europa.eu/internal_market/securities/docs/agencies/100602-resume-impact-assesment_en.pdf

⁴⁰⁶ Making Derivatives markets in Europe Safer and More Transparent, European Commission (Brussels), 15 September 2010. Date of Access: 18 October 2010.

europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1125&format=HTML&aged=0&language=EN&guiLanguage=en

⁴⁰⁷ Impact Assessment, Accompanying document to the Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on OTC derivatives, central counterparties and trade repositories, European Commission (Brussels), 15 September 2010. Date of Access: 18 October 2010. ec.europa.eu/internal_market/financialmarkets/docs/derivatives/20100915_impact_assessment_en.pdf

directive, which would bring hedge funds under stricter regulation.⁴⁰⁸ The proposed measure will go to vote in November in the EU Parliament.⁴⁰⁹

Italy has drafted or begun to implement reform measures in two of the three key areas outlined in this commitment and has therefore been awarded a score of +1.

Analyst: Faiyyad Hosein

Japan: 0

Japan has partially complied with its commitment to improve transparency and regulatory oversight with respect to: 1) hedge funds 2) credit rating agencies and 3) over-the-counter derivatives.

On 12 May 2010 the Japanese Diet passed a bill requiring certain OTC derivatives to be traded through a clearing agency.⁴¹⁰ The new rules apply to OTC derivatives where the transaction value in Japan is significant and where the reduction of risk would be deemed necessary for the stability of the Japanese market. The rules will come into effect in late 2012.⁴¹¹

On 28 September 2010 the Financial Services Agency implemented its new licensing scheme for credit rating agencies, issuing the first five licenses.⁴¹²

Japan has drafted for begun to implement reform measures in two of the three key areas outlined in this commitment and has therefore been awarded a score of 0.

Analyst: Robin Elliott

Korea: 0

Korea has partially complied with its commitment to improve transparency and regulatory oversight with respect to: 1) hedge funds 2) credit rating agencies and 3) over-the-counter derivatives.

On 21 October 2010, Korean finance ministers asked that the FSB-recommended standardization of global accounting mechanisms be delayed in order to prevent Korean

⁴⁰⁸ European Union AIFM Directive Set for November Vote, Hedge Fund Review, 26 October 2010. Date of Access: 28 October 2010. www.hedgefundsreview.com/hedge-funds-review/news/1811137/european-union-aifm-directive-set-november-vote

⁴⁰⁹ European Union AIFM Directive Set for November Vote, Hedge Fund Review, 26 October 2010. Date of Access: 28 October 2010. www.hedgefundsreview.com/hedge-funds-review/news/1811137/european-union-aifm-directive-set-november-vote

⁴¹⁰ Japan passes bill to tighten OTC derivatives rules, 12 May 2010. Date of Access: 22 October 2010 www.reuters.com/article/idUSTOE64B07O20100512

⁴¹¹ G20 COMMITMENTS PROGRESS TABLE (BRAZIL, CHINA, INDIA, JAPAN, RUSSIA): – SEPTEMBER 2010, European Commission (Brussels, Belgium), October 1 2010. Date Accessed: 23 October 2010. ec.europa.eu/commission_2010-2014/barnier/docs/news/2010/g20_roadmap/101001-impl-table_en.pdf

⁴¹² FSA publishes registration of credit rating businesses, Financial Services Agency (Tokyo, Japan) 28 September 2010. Date of Access: 22 October 2010. www.fsa.go.jp/en/news/2010/20100930-1.html

accounting firms and hedge funds from incurring the cost of transitioning to a new system of accounting measures.⁴¹³

On 13 June 2010, the Korea Financial Investment Association began to review all new OTC derivative products.⁴¹⁴ The Korean Financial Services Commission has released a detailed overview potential form of central counterparties for OTC derivatives in Korea, as required by Korea's commitment to the G20, which notes that the Korean derivatives market is much less mature than that of more developed economies, which means that regulation has a greater potential to stifle growth.⁴¹⁵

As of 10 September 2008, Korea was in the process of bringing investment infrastructure onshore. Previously, most investment banking in Korea was carried out offshore. At the time, the proposed Capital Markets Consolidation Act, scheduled to be enacted in early 2009, did not address hedge funds directly, which was considered a major weakness of the legislation.⁴¹⁶ Given that hedge funds are still a relatively new entity in Korea, it may be assumed that Korean hedge funds do not fall under the purview of the reforms required by the commitment above.

Korea has drafted or begun to implement reform measures in one of the three key areas outlined this commitment, and is exempt from scoring in another key area, and has therefore been awarded a score of 0.

Analysts: Robin Elliott and Sarah Ellis

Mexico: -1

Mexico has failed to comply with its commitment to improve transparency and regulatory oversight with respect to: 1) hedge funds 2) credit rating agencies and 3) over-the-counter derivatives.

On 11 August 2010 the Mexican government established a Financial System Stability Council, which will begin the process of addressing risks posed to finance markets by hedge funds, credit rating agencies, and OTC derivatives by making recommendations and coordinating with financial authorities. The council will also advise the executive and

⁴¹³ Korea Wants G20 to Delay Accounting Standard Consolidation, Korea Times (Seoul) 21 October 2010. Date of Access 25 October 2010. www.koreatimes.co.kr/www/news/biz/2010/10/123_74979.html

⁴¹⁴ New Product Review Process Go Into Effect, June 13th, 2010, Korean Financial Investment Association (Seoul, Korea) 10 June 2010. Date of Access: 22 October 2010. www.kofia.or.kr/kofia/index.cfm?event=action.fileDownload&targetFile=Ym9hcmQuZW5nX25ldy5iMDUvMjAxMC4wNI9OZXcgUHJvZHVjdCBSZXZpZXcgUHJvY2VzcyBHbyBJ%0AbnRvIEVmZmVjdC5kb2M%3D

⁴¹⁵ Central Counterparty (CCP): Regulatory Initiatives to Strengthen the OTC Derivatives Market, Korea Financial Services Commission (Seoul), 20 September 2010. Date of Access 25 October 2010. fsckorea.wordpress.com/2010/09/20/central-counterparty-ccp-regulatory-initiatives-to-strengthen-the-otc-derivatives-market-infrastructure/

⁴¹⁶ Doubts Increase on Korea Hedge Fund Deregulation, Bloomberg News 10 September 2008. Date of Access 25 October 2010. www.businessweek.com/globalbiz/content/sep2008/gb20080910_263920.htm

issue yearly financial stability reports.⁴¹⁷ The goals of the council will be to make recommendations on capital adequacy, evaluate differences in regulation between financial entities, analyze regulated and non-regulated financial bodies, and identify potential vulnerabilities in the financial system.

Mexico has not yet drafted or begun to implement reform measures in any of the three key areas outlined in this commitment and has therefore been awarded a score of -1.

Analyst: Robin Elliott

Russia: 0

Russia has partially complied with the commitment on finance.

On 27 July 2010, the Federal law on insider information was adopted. It aims at preventing unlawful use of insider information by financial markets participants, including credit rating agencies (CRAs).⁴¹⁸

On 17 September 2010, Russian Ministry of Finance accredited seven Russian and foreign CRAs under new rules of CRAs' accreditation adopted on 4 May 2010.⁴¹⁹ New rules were elaborated to ensure confidence in CRAs by confirming their competence in credit rating activities.⁴²⁰

Russia has taken measures to improve transparency and regulatory oversight of one of the three key areas outlined by the commitment, namely CRAs. Thus Russia has been awarded a score of 0.

Analyst: Mark Rakhmangulov

Saudia Arabia: -1

Saudi Arabia has failed to comply with its commitment to improve transparency and regulatory oversight with respect to: 1) hedge funds 2) credit rating agencies and 3) over-the-counter derivatives.

Saudi Arabia has only recently begun to implement international regulatory standards in its financial markets. On 9 June 2010 the Saudi Capital Markets Authority became a member of the International Organization of Securities Commissions, indicating that it is

⁴¹⁷ Se instaló hoy el Consejo de Estabilidad del Sistema Financiero, Office of the President (Mexico City, Mexico) 11 August 2010. Date of Access: 23 October 2010.

www.presidencia.gob.mx/index.php?DNA=85&Contenido=59300

⁴¹⁸ Federal law No. 224-FZ of 27 July 2010, President of Russia 27 July 2010. Date of Access: 3 November 2010. graph.document.kremlin.ru/page.aspx?1;1292761.

⁴¹⁹ Russian Ministry of Finance Order No. 452 of 17 September 2010, Russian Ministry of Finance 17 September 2010. Date of Access: 3 November 2010.

www1.minfin.ru/common/img/uploaded/library/2010/09/prik452_ot_170910.PDF.

⁴²⁰ Russian Ministry of Finance Order No. 37-n of 4 May 2010, Russian Ministry of Finance 30 July 2010. Date of Access: 3 November 2010.

www1.minfin.ru/common/img/uploaded/library/2010/07/prik37n_ot_040510.PDF.

committed to IOSCO's Objectives and Principles of Securities Regulation.⁴²¹ Furthermore, in 2008 Saudi Arabia began participation in the IMF's data dissemination program, and agreed to submit itself to IMF Chapter IV consultation in the wake of the global financial crisis.⁴²²

Saudi Arabia has not yet drafted or begun to implement reform measures in any of the three key areas outlined in this commitment and has therefore been awarded a score of -1.

Analyst: Robin Elliott and Sarah Ellis

South Africa: -1

South Africa has failed to comply with its commitment to improve transparency and regulatory oversight with respect to: 1) hedge funds 2) credit rating agencies and 3) over-the-counter derivatives.

On 7 October 2010, the FSB released its annual report, in which it declared that South Africa had appointed a Credit Ratings Agencies Working Group to consider ways of regulating credit ratings agencies. In the same report, the FSB also stated that it had formed a working group to assist in developing ways of regulating OTC derivatives.⁴²³

South Africa has not yet begun to implement reform measures in any of the three key areas outlined in this commitment and has therefore been awarded a score of -1.

Analyst: Robin Elliott

Turkey: 0

Turkey has partially complied with its commitment to improve transparency and regulatory oversight with respect to: 1) hedge funds 2) credit rating agencies and 3) over-the-counter derivatives.

On 15 October 2010 the IOCSO Committee on Emerging Markets released a report on Securitization and Securitized Debt Instruments in Emerging Markets. The report noted that Turkey is one of 19 surveyed emerging economies that has established registration regimes for credit rating agencies, in keeping with the IOSCO Code of Conduct. The report also noted that some of the 19 economies mentioned had not yet fulfilled all of the supervisory and regulatory reforms required by the 2008 amendment to the IOSCO Code.⁴²⁴

⁴²¹ IOSCO expands its global membership to include Iceland, the Maldives, Saudi Arabia and Syria, International Organization of Securities Commissions (Madrid, Spain), 9 June 2010. Date of Access: 22 October 2010. www.iosco.org/news/pdf/IOSCONEWS187.pdf

⁴²² IMF Executive Board Concludes 2009 Chapter IV Consultation with Saudi Arabia, International Monetary Fund (New York) 18 August 2009. Date of Access 25 October 2010. www.imf.org/external/np/sec/pn/2009/pn09109.htm

⁴²³ Annual Report 2010, Financial Services Board (Pretoria, South Africa) 7 October 2010. Date of Access: 23 October 2010.

⁴²⁴ Securitization and Securitized Debt Instruments in Emerging Markets, IOSCO (Madrid) 15 October 2010. Date of Access 25 October 2010. www.iosco.org/library/pubdocs/pdf/IOSCOPD334.pdf

As of 2007, OTC derivatives remained unregulated in Turkey, though the Capital Markets Board of Turkey had proposed amendments to its current regulatory policy which would outline systematic rules for valuing counterparty risk for OTC derivatives contracts, allowing for cross-border trade. However, the CMB remained opposed to further regulation, which might hinder financial growth in Turkey.⁴²⁵ Currently, the CMB Regulations and Communiqué does not indicate that the Turkish government has supported the creation of central counterparties or electronic clearing platforms for OTC derivatives.⁴²⁶

The CMB Communiqué was amended in 2006 to allow for the on-shore creation of hedge funds in Turkey, called Free Investment Funds (FIFs).⁴²⁷ Current CMB policy toward FIFs excludes them from many of the same oversight and regulatory standards that other regulated investment funds are subject to and do not call for mandatory registration of large hedge funds.⁴²⁸ These regulations are not in keeping with IOSCO recommendations..

Turkey has drafted or begun to implement reform measures in one of the three key areas outlined in this commitment and has therefore been awarded a score of 0.

Analysts: Robin Elliott and Sarah Ellis

United Kingdom: +1

The United Kingdom has fully complied with its commitment to improve transparency and regulatory oversight with respect to: 1) hedge funds 2) credit rating agencies and 3) over-the-counter derivatives.

The British Financial Services Authority (FSA) 2009/2010 Annual Report outlines reform measures for OTC derivatives markets and credit rating agencies that are currently being drafted or implemented in the United Kingdom.⁴²⁹ The report notes that the FSA contributed to the IOSCO report on Regulatory Implementation of the Statement of Principles Regarding the Activities of Credit Rating Agencies, published in the second quarter of 2010, and is an active member of the IOSCO Standing Committee on CRAs.⁴³⁰

In December 2009, the FSA published a legislative proposal for reform of the OTC derivative market that addresses mitigating counterparty risk through central clearing

⁴²⁵ Turkey: Over-the-Counter (OTC) Derivatives, Mondaq (New York) 13 March 2007. Date of Access 25 October 2010. www.mondaq.com/article.asp?articleid=46808&login=true&nogo=1

⁴²⁶ CMB By-Law About the Establishment and Working Principles of Derivatives Exchanges, Capital Markets Board (Turkey) . Date of Access 25 October 2010. www.cmb.gov.tr/regulations/regulations_index.html

⁴²⁷ “Free Investment Funds” (Hedge Funds) Regulation of Turkey, Capital Markets Board (Turkey) 2010. Date of Access 25 October 2010. www.cmb.gov.tr/duyurugoster.aspx?aid=20071215&subid=0&ct=c

⁴²⁸ “Free Investment Funds” (Hedge Funds) Regulation of Turkey, Capital Markets Board (Turkey) 2010. Date of Access 25 October 2010. www.cmb.gov.tr/duyurugoster.aspx?aid=20071215&subid=0&ct=c

⁴²⁹ Financial Services Authority 2009/2010 Report, Financial Services Authority (London) Date of Access: 18 October 2010. www.fsa.gov.uk/pubs/annual/ar09_10/ar09_10.pdf

⁴³⁰ Regulatory Implementation of the Statement of Principles regarding the activities of credit rating agencies, IOSCO (Madrid) May 2010. Date of Access: 18 October 2010. www.fsa.go.jp/inter/ios/20100511/02.pdf

platforms.⁴³¹ On 23 July 2009 the FSA published the 2010 Financial Services Act, which giving additional powers to the FSA such as the power to impose financial penalties or public censure on those who breach short-selling rules and disclosure of significant net short positions.⁴³²

In late October 2010, European Union finance ministers, including the United Kingdom, reached a unanimous compromise on a proposed alternative investment fund managers (AIFM) directive, which would bring hedge funds under stricter regulation.⁴³³ The proposed measure will go to vote in November in the EU Parliament.⁴³⁴

The United Kingdom has drafted or begun to implemented reform measures in all of the three key areas outlined in this commitment and has therefore been awarded a score of +1.

Analyst: Faiyyad Hosein

United States: + 1

The United States has fully complied with its commitment to improve transparency and regulatory oversight with respect to: 1) hedge funds 2) credit rating agencies and 3) over-the-counter derivatives.

On 22 July 2010, President of the United States Barack Obama signed the Dodd-Frank Wall Street Reform and Consumer Protection Act into law.⁴³⁵ This act covers increased regulation and supervision of hedge funds, credit rating agencies, and over-the-counter derivatives.

The Dodd-Frank Act aims to fill gaps in the regulation of hedge funds, ending the “shadow” financial system by requiring hedge funds and private equity advisors to register with the SEC as investment advisers and provide information about their trades and portfolios necessary to assess systemic risk.⁴³⁶ This data will be shared with a systemic risk regulator, and the SEC will report to Congress annually on how this data is used to protect investors and market integrity. The Dodd-Frank Act raises the assets

⁴³¹ Reforming OTC Derivative Markets, Financial Services Authority & HM Treasury (London), December 2009. Date of Access: 18 October 2010. www.fsa.gov.uk/pubs/other/reform_otc_derivatives.pdf

⁴³² FSA implements new powers granted by the Financial Services Act 2010, Financial Services Authority & HM Treasury (London), 23 July 2010. Date of Access: 18 October 2010. www.fsa.gov.uk/pages/Library/Communication/PR/2010/123.shtml

⁴³³ European Union AIFM Directive Set for November Vote, Hedge Fund Review, 26 October 2010. Date of Access: 28 October 2010. www.hedgefundsreview.com/hedge-funds-review/news/1811137/european-union-aifm-directive-set-november-vote

⁴³⁴ European Union AIFM Directive Set for November Vote, Hedge Fund Review, 26 October 2010. Date of Access: 28 October 2010. www.hedgefundsreview.com/hedge-funds-review/news/1811137/european-union-aifm-directive-set-november-vote

⁴³⁵ Dodd-Frank Wall Street Reform and Consumer Protection Act, US Government (Washington), 29 June 2010. Date of Access: 17 October 2010.

banking.senate.gov/public/_files/Rept111517DoddFrankWallStreetReformandConsumerProtectionAct.pdf

⁴³⁶ Dodd-Frank Wall Street Reform and Consumer Protection Act, US Government (Washington), 29 June 2010. Date of Access: 17 October 2010.

banking.senate.gov/public/_files/Rept111517DoddFrankWallStreetReformandConsumerProtectionAct.pdf

threshold for federal regulation of investment advisers from \$30 million to \$100 million, a move expected to significantly increase the number of advisers under state supervision.⁴³⁷

The Dodd-Frank Act institutionalizes new requirements and greater oversight of credit rating agencies, by creating an Office of Credit Ratings at the SEC with expertise and its own compliance staff and the authority to impose fines on non-compliant agencies.⁴³⁸ The SEC is required to examine nationally recognized statistical ratings organizations at least once a year and make key findings public, and will require nationally recognized statistical ratings organizations to disclose their methodologies, their use of third parties for due diligence efforts, and their ratings track record.⁴³⁹

The Dodd-Frank Act closes regulatory gaps and provides the SEC and CFTC with authority to regulate OTC derivatives so that irresponsible practices and excessive risk-taking can no longer evade regulatory oversight.⁴⁴⁰ The act calls for central clearing and exchange trading for OTC derivatives and calls on regulators and clearing houses to determine which contracts should be cleared. The act also establishes grounds for market transparency, requiring data collection and publication through clearing houses or swap repositories to improve market transparency and provide regulators with tools for monitoring and responding to risks.⁴⁴¹

The United States has drafted or begun to implement reform measures in all of the three key areas outlined in this commitment and has therefore been awarded a score of +1.

Analyst: Faiyyad Hosein

European Union: +1

The European Union has fully complied with its commitment to improve transparency and regulatory oversight with respect to: 1) hedge funds 2) credit rating agencies and 3) over-the-counter derivatives.

⁴³⁷ Dodd-Frank Wall Street Reform and Consumer Protection Act, US Government (Washington), 29 June 2010. Date of Access: 17 October 2010.

banking.senate.gov/public/_files/Rept111517DoddFrankWallStreetReformandConsumerProtectionAct.pdf
⁴³⁸ Dodd-Frank Wall Street Reform and Consumer Protection Act, US Government (Washington), 29 June 2010. Date of Access: 17 October 2010.

banking.senate.gov/public/_files/Rept111517DoddFrankWallStreetReformandConsumerProtectionAct.pdf
⁴³⁹ Dodd-Frank Wall Street Reform and Consumer Protection Act, US Government (Washington), 29 June 2010. Date of Access: 17 October 2010.

banking.senate.gov/public/_files/Rept111517DoddFrankWallStreetReformandConsumerProtectionAct.pdf
⁴⁴⁰ Dodd-Frank Wall Street Reform and Consumer Protection Act, US Government (Washington), 29 June 2010. Date of Access: 17 October 2010.

banking.senate.gov/public/_files/Rept111517DoddFrankWallStreetReformandConsumerProtectionAct.pdf
⁴⁴¹ Dodd-Frank Wall Street Reform and Consumer Protection Act, US Government (Washington), 29 June 2010. Date of Access: 17 October 2010.

banking.senate.gov/public/_files/Rept111517DoddFrankWallStreetReformandConsumerProtectionAct.pdf

On the 29 April 2009 The European Commission issued a directive⁴⁴² and press release⁴⁴³ on alternative investment funds, or hedge funds. This Directive on Alternative Investment Fund Managers (AIFMs) was issued with the objective of creating a comprehensive and effective regulatory and supervisory framework for AIFMs at the European level following the global financial crisis. The proposed AIFM Directive will provide robust and harmonised regulatory standards for all AIFMs within its scope and will enhance the transparency of the activities of AIFMs and the funds they manage.

In late October 2010, European Union finance ministers, including France, reached a unanimous compromise on the AIFM directive.⁴⁴⁴ The proposed measure will go to vote in November in the EU Parliament.⁴⁴⁵

On 2 June 2010, the European Commission issued a press release⁴⁴⁶ and impact assessment⁴⁴⁷ which highlights specific measures and amendments to the European Union rules on credit rating agencies that will increase supervision. These changes will implement a new European supervisory authority, the European Securities and Markets Authority, which will be entrusted with exclusive supervision powers over credit rating agencies registered in the EU. This would include also the European subsidiaries of well-known credit rating agencies such as Fitch, Moody's and Standard & Poor's.

On 13 September, 2010 the Committee of European Securities Regulators published a feedback statement, the Guidance on Common Standards for Assessment of Compliance of Credit Rating Methodologies.⁴⁴⁸ This measure aims to further bolster the 7 December 2009 EU Regulation 1060/09 on Credit Rating Agencies.

⁴⁴² Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on Alternative Investment Fund Managers and amending Directives 2004/39/EC, European Commission (Brussels), 29 April 2009. Date of Access: 18 October 2010.

ec.europa.eu/internal_market/investment/docs/alternative_investments/fund_managers_proposal_en.pdf

⁴⁴³ Financial Services: Commission proposes EU framework for managers of alternative investment funds, European Commission (Brussels), 29 April 2009. Date of Access: 18 October 2010.

europa.eu/rapid/pressReleasesAction.do?reference=IP/09/669&format=HTML&aged=0&language=EN&guiLanguage=fr

⁴⁴⁴ European Union AIFM Directive Set for November Vote, Hedge Fund Review, 26 October 2010. Date of Access: 28 October 2010. www.hedgefundsreview.com/hedge-funds-review/news/1811137/european-union-aifm-directive-set-november-vote

⁴⁴⁵ European Union AIFM Directive Set for November Vote, Hedge Fund Review, 26 October 2010. Date of Access: 28 October 2010. www.hedgefundsreview.com/hedge-funds-review/news/1811137/european-union-aifm-directive-set-november-vote

⁴⁴⁶ Commission proposes improved EU supervision of Credit Rating Agencies and launches debate on corporate governance in financial institutions, European Commission (Brussels), 2 June 2010. Date of Access: 18 October 2010.

europa.eu/rapid/pressReleasesAction.do?reference=IP/10/656&format=HTML&aged=0&language=EN&guiLanguage=en

⁴⁴⁷ Summary of the Impact Assessment: Accompanying document to the Proposal for a Regulation of the European Parliament and Council amending Regulation (EC) No 1060/2009 on credit rating agencies, European Commission (Brussels), 2 June 2010. Date of Access: 18 October 2010.

ec.europa.eu/internal_market/securities/docs/agencies/100602-resume-impact-assesment_en.pdf

⁴⁴⁸ CESR's Consultation on Guidance on Common Standards for Assessment of Compliance of Credit Rating Methodologies with the Requirements set out in Article 8.3, Committee of European Securities

On 15 September 2010, the European Commission issued a press release⁴⁴⁹ and impact assessment⁴⁵⁰ on proposed regulation on OTC derivatives, central counterparties and trade repositories. This proposal will move to the European Parliament and the European Union Member States for consideration. Once adopted, the regulation would apply from end 2012.

On 20 September 2010, the European Commission (DG Internal Market and Services) held a public hearing on the review of the Markets in Financial Instruments Directive 2004/39/EC (MiFID) in Brussels.⁴⁵¹ MiFID would provide harmonized regulation for investment services across the thirty member states of the European Economic Area, covering almost all tradable financial products, including commodity and other over-the-counter derivatives. The public hearing covered proposed measures, such as derivative market reform and increasing trading on organised platforms, ensuring transparency and efficiency are balanced in the trading of financial instruments, changes in market structure and competition between trading venues, investor protection after the crisis, and improving market data consolidation.

The European Union has drafted or begun to implement reform measures in all three key of the areas outlined in this commitment and has therefore been awarded a score of +1.

Analyst: Faiyyad Hosein

Regulators, (Paris) 13 September 2010. Date of Access: 18 October 2010. www.cesr-eu.org/popup2.php?id=7201

⁴⁴⁹ Making Derivatives markets in Europe Safer and More Transparent, European Commission (Brussels), 15 September 2010. Date of Access: 18 October 2010.

europa.eu/rapid/pressReleasesAction.do?reference=IP/10/1125&format=HTML&aged=0&language=EN&guiLanguage=en

⁴⁵⁰ Impact Assessment: Accompanying document to the Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on OTC derivatives, central counterparties and trade repositories, European Commission (Brussels), 15 September 2010. Date of Access: 18 October 2010. ec.europa.eu/internal_market/financialmarkets/docs/derivatives/20100915_impact_assessment_en.pdf

⁴⁵¹ Public Hearing on the “Review of the Markets in Financial Instruments Directive (MIFID), European Commission (Brussels), 30 September 2010. Date of Access: 18 October 2010. ec.europa.eu/internal_market/securities/isd/mifid_en.htm

6. International Financial Institutions Reform [37]

Commitment

“We called for an acceleration of the substantial work still needed for the IMF to complete the quota reform by the Seoul Summit and in parallel deliver on other governance reforms, in line with commitments made in Pittsburgh.”

The G20 Toronto Summit Declaration

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina		0	
Australia			+1
Brazil			+1
Canada			+1
China			+1
France			+1
Germany			+1
India			+1
Indonesia			+1
Italy			+1
Japan			+1
Korea			+1
Mexico			+1
Russia			+1
South Africa			+1
Saudi Arabia		0	
Turkey			+1
United Kingdom			+1
United States			+1
European Union			+1
Average Score			+0.9

Background

Completing the current quota reform:

On 28 April 2008, a large-scale quota and voice reform was adopted by a large margin by the Board of Governors of the IMF. It aims to make quotas more responsive to economic realities by increasing the representation of fast-growing economies and at the same time giving low-income countries more say in the IMF’s decision making. The reform package contains the following elements:

- A new quota formula.
- Ad-hoc quota increases to all 54 countries that were underrepresented under the new quota formula.
- Tripling the number of basic votes to increase the voice of low-income countries, as well as protection of the share of the basic votes in total voting power going forward.

- Providing resources for an additional Alternate Executive Director for the two African chairs represented on the IMF's Executive Board.
- Realigning quota and voting shares every five years.⁴⁵²

According to the IMF as of 26 October 2010 17 G20 members ratified the Amendment on Voice and Participation.⁴⁵³

Country	Date of Acceptance (month/day/year)
France	10/17/2008
India	11/30/2008
Korea	1/22/2009
Mexico	3/26/2009
Germany	4/02/2009
China	6/29/2009
Canada	7/08/2009
United States	7/10/2009
Japan	7/14/2009
United Kingdom	7/20/2009
Australia	9/09/2009
Italy	1/25/2010
Brazil	4/16/2010
Indonesia	6/01/2010
South Africa	6/21/2010
Russia	9/13/2010
Turkey	10/05/2010

As the European Union is not a member of the IMF and can not ratify the Amendment on Voice and Participation it can comply with the first part of the commitment by appealing to its member-states and other countries to do so, for instance, in conclusions of the Council of the EU and other bodies.

Delivering on other governance reforms:

IMF governance reform adopted at Pittsburgh G20 summit⁴⁵⁴ includes the following:

- Shift in quota share to dynamic emerging market and developing countries of at least five percent from over-represented to under-represented countries using the current IMF quota formula as the basis to work from;

⁴⁵² IMF Quotas. 11 March 2010. www.imf.org/external/np/exr/facts/quotas.htm.

⁴⁵³ Acceptances of the Proposed Amendments of the Articles of Agreement. www.imf.org/external/np/sec/misc/consents.htm.

⁴⁵⁴ G20 Leaders Statement: The Pittsburgh Summit September 24-25, 2009 www.g20.utoronto.ca/2009/2009communique0925.html.

- Protecting the voting share of the poorest in the IMF;
- Acceleration of work toward bringing the IMF's quota review to a successful conclusion to be completed by January 2011;
- Addressing the size of any increase in IMF quotas, which will have a bearing on the ability to facilitate change in quota shares;
- Addressing the size and composition of the Executive Board;
- Enhancing the Executive Board's effectiveness;
- Fund Governors' involvement in the strategic oversight of the IMF;
- Enhancing staff diversity;
- Appointment of the heads and senior leadership through an open, transparent and merit-based process.

In October 2009, the IMFC endorsed a call by G-20 leaders for a shift in quota share to dynamic emerging market and developing countries of at least five percent from over-represented to under-represented countries using the current quota formula as the basis to work from. In addition, there is a commitment to protecting the voting share of the poorest members.⁴⁵⁵

Commitment Features

G20 members committed to complete the IMF quota reform adopted in 2008 and continue work on delivering commitments on governance reforms made in Pittsburgh. In order to fully comply with this commitment, both components should be addressed.

First part of the commitment requests G20 members to ratify the Amendment on Voice and Participation, have they already not done so. Since ratifying the Amendment is not an incremental process, but a one-off action, ratifications that took place before the Toronto Summit are acceptable as compliance.

To comply with the second part of commitment members are required to take an active stance towards promoting and accelerating the work on at least one of the features of the IMF governance reforms, in line with commitments made in Pittsburgh.

The following measures to take an active stance on addressing IMF governance reforms can be registered as compliance:

- Official recognition and reiteration of commitments in national documents;
- Official recognition and reiteration of commitments in documents adopted by different fora (EU, BRIC, etc.);
- Appeal to other states to comply with this commitment in official statements;

All aforementioned cases should be included in the fact-sheets to be later assessed for their significance by the team of analysts.

⁴⁵⁵ IMF Quotas. 11 March 2010. www.imf.org/external/np/exr/facts/quotas.htm.

Scoring Guidelines

-1	Member doesn't ratify the Amendment on Voice and Participation AND fails to take an active stance on addressing the IMF governance reforms approved in Pittsburgh.
0	Member ratifies, or has already ratified, the Amendment on Voice and Participation OR takes an active stance on addressing at least one of the IMF governance reforms approved in Pittsburgh.
+1	Member ratifies, or has already ratified, the Amendment on Voice and Participation AND takes an active stance on addressing at least two of the IMF governance reforms approved in Pittsburgh.

Argentina: 0

Argentina has not complied with the commitment to enhance the IMF reform. As of 6 October 2010, Argentina has not ratified the Amendment on Voice and Participation.⁴⁵⁶

On 28 September 2010, at the G-77 meeting under the chairmanship of Argentina President Cristina Fernández de Kirchner emphasized the increasing role of the developing countries in the modern world and the need for a change in the decision making systems of the international organizations, including the IMF. According to Argentine President: "The new snapshot of the world should provide for an amendment in participation, representation and decision-making within these organizations."⁴⁵⁷

However, there was no other mentioning of official recognition and reiteration of commitments in the open sources of information.

On 23 October 2010, G20 Finance Ministers and Central Bank Governors reached agreement on an ambitious set of proposals to reform the IMF's quota and governance. According to the G20 communiqué "these proposals will deliver on the objectives agreed in Pittsburgh and go even further in a number of areas."⁴⁵⁸ Thus, all G20 members complied with the second part of the commitment on IFI reform.

As a result, not having ratified the Amendment on Voice and Participation but making a commitment to the G20 proposals to reform the IMF's quota and governance, Argentina is awarded a score of 0.

Analyst: Polina Arkhipova

Australia: +1

Australia complied with its G20 commitment on financial institutions reform.

⁴⁵⁶ Countries that have Accepted the Amendment on Voice and Participation, International Monetary Fund 6 October 2010. Date of Access: 14 October 2010. www.imf.org/external/np/sec/misc/consents.htm#a1

⁴⁵⁷ Speech addressed by President Cristina Fernández de Kirchner, Presidencia de la Nación Argentina 29 September 2010. Date of Access: 14 October 2010. www.caserosada.gov.ar/index.php?option=com_content&task=view&id=7672presidencia/index.php?option=com_content&task=view&id=7672

⁴⁵⁸ Communiqué of the Meeting of Finance Ministers and Central Bank Governors, G20 Information Centre 23 October 2010. www.g20.utoronto.ca/2010/g20finance101023.html

On 9 September 2009 the Government of Australia accepted the Amendment on Voice and Participation.⁴⁵⁹

On 9 October 2010 the Korean Minister of Strategy and Finance Jeung-Hyun Yoon on behalf of Republic of Korea, Australia and other countries of Pacific region reiterated consistent support for governance reforms to increase the traction of the Fund's advice with policymakers, improve accountability and legitimacy to the membership, and improve the representation of dynamic emerging market economies at the Board in line with their global economic weight.⁴⁶⁰ However, this fact can't be considered as Australia's compliance.

On 23 October 2010, G20 Finance Ministers and Central Bank Governors reached agreement on an ambitious set of proposals to reform the IMF's quota and governance. According to the G20 communiqué "these proposals will deliver on the objectives agreed in Pittsburgh and go even further in a number of areas."⁴⁶¹ Thus, all G20 members complied with the second part of the commitment on IFI reform.

Therefore, Australia has fully complied with its G20 commitment on international financial institutions reform and is awarded a score of +1.

Analyst: Yuriy Zaytsev

Brazil: +1

Brazil has fully complied with the commitment to enhance the IMF reform. Brazil accepted the Amendment on Voice and Participation on 16 April 2010.⁴⁶²

On 8-10 October 2010, Minister of Finance of Brazil Guido Mantega participated in the Annual Meeting of the International Monetary Fund and the World Bank Group in Washington DC.⁴⁶³ As a result a communiqué was issued, which reiterated the need for further action to pursue the quota and governance reforms of the IMF.⁴⁶⁴ In his statement made at the International Monetary and Financial Committee on 9 October 2010 Minister Mantega appealed to other states to comply with the commitment. Brazilian Minister called for a shift in quota share to dynamic emerging market and developing countries, emphasized the importance of staff diversity and the Executive Board's effectiveness and stressed the importance of departing from an existing

⁴⁵⁹ Acceptances of the Proposed Amendments of the Articles of Agreement Last Updated: August 19, 2010 www.imf.org/external/np/sec/misc/consents.htm

⁴⁶⁰ Statement by Jeung-Hyun Yoon, Minister of Strategy and Finance, Ministry of Strategy and Finance, Republic of Korea On behalf of Australia, Kiribati, Korea, Republic of, Marshall Islands, Micronesia, Mongolia, New Zealand, Palau, Papua New Guinea, Samoa, Seychelles, Solomon Islands, Vanuatu, the official web site of the International Monetary Fund, 9 October 2010. Date of access: 23 October 2010. www.imf.org/External/AM/2010/imfc/statement/eng/kor.pdf

⁴⁶¹ Communiqué of the Meeting of Finance Ministers and Central Bank Governors, G20 Information Centre 23 October 2010. www.g20.utoronto.ca/2010/g20finance101023.html.

⁴⁶² www.imf.org/external/np/sec/misc/consents.htm

⁴⁶³ www.imf.org/external/am/2010/imfc/attendees/index.htm

⁴⁶⁴ www.imf.org/external/np/sec/pr/2010/pr10379.htm

procedure of the appointment of the heads and senior leadership in favour of an open, transparent and merit-based process.⁴⁶⁵

On 23 October 2010, G20 Finance Ministers and Central Bank Governors reached agreement on an ambitious set of proposals to reform the IMF's quota and governance. According to the G20 communiqué "these proposals will deliver on the objectives agreed in Pittsburgh and go even further in a number of areas."⁴⁶⁶ Though neither the finance minister nor the central bank governor of Brazil attended the meeting, their active formal stance on the reform and the consensus mode of decision making in the G20 confirms Brazil's commitment to reform.

As a result of the ratification of the Amendment on Voice and Participation, official recognition and reiteration of the commitment and an appeal to other states, Brazil has fully complied with the commitment and gets a score of +1.

Analyst: Polina Arkhipova

Canada: +1

Canada ratified the Amendment on Voice and Participation on 8 July 2009.⁴⁶⁷

On 9 October 2010, Minister of Finance of Canada Jim Flaherty in the International Monetary and Financial Committee stated that: "Reforms to IMF surveillance and the scope of IMF lending can help to prevent future crises. In addition, complementary reforms to the Fund's governance structure are required to ensure that these tools are used appropriately."⁴⁶⁸

On 23 October 2010, G20 Finance Ministers and Central Bank Governors reached agreement on an ambitious set of proposals to reform the IMF's quota and governance. According to the G20 communiqué "these proposals will deliver on the objectives agreed in Pittsburgh and go even further in a number of areas."⁴⁶⁹ Thus, all G20 members complied with the second part of the commitment on IFI reform.

Canada ratified the Amendment on Voice and Participation and takes an active stance on addressing the IMF governance reforms, accelerating of the work and involving actors in international development. Therefore, the score of Canada is +1 for the fulfillment of this commitment.

Analyst: Vitaly Nagornov

⁴⁶⁵ www.imf.org/External/AM/2010/imfc/statement/eng/bra.pdf

⁴⁶⁶ Communiqué of the Meeting of Finance Ministers and Central Bank Governors, G20 Information Centre 23 October 2010. www.g20.utoronto.ca/2010/g20finance101023.html.

⁴⁶⁷ Acceptances of the Proposed Amendments of the Articles of Agreement, International Monetary Fund, 6 October 2010. Date of Access: 22 October 2010. www.imf.org/external/np/sec/misc/consents.htm.

⁴⁶⁸ Statement by James Michael Flaherty, Minister of Finance, Department of Finance, Canada, International Monetary Fund, 09 October 2010. Date of Access: 22 October 2010. www.imf.org/External/AM/2010/imfc/statement/eng/can.pdf

⁴⁶⁹ Communiqué of the Meeting of Finance Ministers and Central Bank Governors, G20 Information Centre 23 October 2010. www.g20.utoronto.ca/2010/g20finance101023.html.

China: +1

China has fully complied with the G20 commitment on International Financial Institutions Reform.

On 29 June 2009, China ratified the Amendment on Voice and Participation.⁴⁷⁰

On 8 October 2010, at the annual meeting of International Monetary Fund and World Bank, Governor of the People's Bank of China Zhou Xiaochuan stated: "We call on all parties...to fulfill the Pittsburgh Summit's commitment of the shift of quotas and the protection of the poorest countries' voices."⁴⁷¹

On 23 October 2010, G20 Finance Ministers and Central Bank Governors reached agreement on an ambitious set of proposals to reform the IMF's quota and governance. According to the G20 communiqué "these proposals will deliver on the objectives agreed in Pittsburgh and go even further in a number of areas."⁴⁷² Thus, all G20 members complied with the second part of the commitment on IFI reform.

China ratified the Amendment on Voice and Participation and takes an active stance on addressing the IMF governance reforms approved in Pittsburgh, especially on increasing the voice of low-income countries reform. So China receives a score of +1.

Analyst: Svetlana Nikitina

France: +1

France ratified the Amendment on Voice and Participation on 17 October 2008.⁴⁷³

On 8 October 2010, Christine Lagarde, Governor of the Fund and the Bank for France in the International Monetary and Financial Committee statement appealed to G20 countries to modernise the instruments and operational policies of IFIs, to complete the governance reform.⁴⁷⁴

On 23 October 2010, G20 Finance Ministers and Central Bank Governors reached agreement on an ambitious set of proposals to reform the IMF's quota and governance. According to the G20 communiqué "these proposals will deliver on the objectives agreed in Pittsburgh and go even further in a number of areas."⁴⁷⁵ Thus, all G20 members complied with the second part of the commitment on IFI reform.

⁴⁷⁰ Acceptances of the Proposed Amendments of the Articles of Agreement. www.imf.org/external/np/sec/misc/consents.htm

⁴⁷¹ Press Release No. 47 October 8, 2010, the International Monetary Fund and World Bank 10 October 2010. Date of Access: 8 October 2010. www.imf.org/external/am/2010/speeches/pr47e.pdf

⁴⁷² Communiqué of the Meeting of Finance Ministers and Central Bank Governors, G20 Information Centre 23 October 2010. www.g20.utoronto.ca/2010/g20finance101023.html.

⁴⁷³ Acceptances of the Proposed Amendments of the Articles of Agreement, International Monetary Fund, 6 October 2010. URL: www.imf.org/external/np/sec/misc/consents.htm.

⁴⁷⁴ Statement by the Hon. Christine Lagarde, Governor of the Fund and the Bank for France. URL: www.imf.org/external/am/2010/speeches/pr36e.pdf

⁴⁷⁵ Communiqué of the Meeting of Finance Ministers and Central Bank Governors, G20 Information Centre 23 October 2010. www.g20.utoronto.ca/2010/g20finance101023.html.

France ratified the Amendment on Voice and Participation and takes an active stance on addressing the IMF governance reforms, accelerating of the work and involving actors in international development. Therefore, the score of France is +1 for the fulfillment of this commitment.

Analyst: Vitaly Nagornov

Germany: +1

Germany has fully complied with the commitment on International Financial Institutions Reform.

Germany accepted the Amendment on Voice and Participation on 4 February 2009.⁴⁷⁶

On 08 October 2010 Wolfgang Schäuble, alternate governor of the Fund for Germany, at the annual meetings of IMF stated that Germany is fully committed to the overall goal of the IMF quota and governance reform. Germany supports a shift of at least five percent to dynamic Emerging Market and Developing Countries (EMDCs) from over-represented to underrepresented countries. Also Germany advocates an amendment to the Articles of Agreement to provide for 24 chairs. It also supports considerations to increase the role of ministers and governors in strategic decision making by enhancing the role of the IMFC or establishing an IMFB.⁴⁷⁷

On 23 October 2010, G20 Finance Ministers and Central Bank Governors reached agreement on an ambitious set of proposals to reform the IMF's quota and governance. According to the G20 communiqué "these proposals will deliver on the objectives agreed in Pittsburgh and go even further in a number of areas."⁴⁷⁸ Thus, all G20 members complied with the second part of the commitment on IFI reform.

Germany has ratified the Amendment on Voice and Participation and takes an active stance on addressing IMF governance reforms approved in Pittsburgh. Therefore it is awarded a score of +1.

Analyst: Irina Grechukhina

India: +1

India is one of the countries that advocate swift IMF reform.

India has ratified the Amendment on Voice and Participation 30 November 2008.⁴⁷⁹

In an interview with The Korea Times, Indian Ambassador to Korea Skand R. Tayal said, "We have some concern that the IMF reform is not progressing as expected."⁴⁸⁰ During

⁴⁷⁶ Countries that have Accepted the Amendment on Voice and Participation, International Monetary Fund 6 October 2010. Date of Access: 14 October 2010. www.imf.org/external/np/sec/misc/consents.htm#a1.

⁴⁷⁷ Press Release No. 30 October 8, 2010, the International Monetary Fund and World Bank 10 October 2010. Date of Access: 15 October 2010. www.imf.org/external/am/2010/speeches/pr30e.pdf.

⁴⁷⁸ Communiqué of the Meeting of Finance Ministers and Central Bank Governors, G20 Information Centre 23 October 2010. www.g20.utoronto.ca/2010/g20finance101023.html.

⁴⁷⁹ Acceptances of the Proposed Amendments of the Articles of Agreement, International Monetary Fund 06 October 2010. Date of Access: 10 October 2010 www.imf.org/external/np/sec/misc/consents.htm

the IMF-World Bank Annual Meetings India called for a shift of 5 to 6 per cent in quota share from advanced countries to developing countries. Finance Minister of India Pranab Mukherjee said the flawed quota formula cannot deliver such a shift reform and should be revised in a separate time-bound programme.⁴⁸¹ A substantial ad hoc allocation based on global PPP-GDP shares has to form part of the solution to ensure that the Fund's quota shares better reflect global economic realities.⁴⁸²

Moreover, India welcomed the redistribution of chairs in the Executive Board on a more equitable basis amongst the regions of the world while ensuring that the representation of emerging market and developing economies in EMDCs is preserved. Greater political engagement of Ministers in IMF related issues is best achieved through improvements in the functioning of the IMFC. Also it was stressed that the top managerial positions in the Fund and the Bank should be filled through an open, merit-based selection process without unwritten national restrictions.⁴⁸³

On 23 October 2010, G20 Finance Ministers and Central Bank Governors reached agreement on an ambitious set of proposals to reform the IMF's quota and governance. According to the G20 communiqué "these proposals will deliver on the objectives agreed in Pittsburgh and go even further in a number of areas."⁴⁸⁴

So, India has demonstrated full compliance with the commitment and gets a score +1.

Analyst: Arina Shadrikova

Indonesia: +1

Indonesia ratified the Amendment on Voice and Participation and supported IMF governance reforms approved in Pittsburgh.

Indonesia has accepted the Amendment on Voice and Participation on 6 January 2010.⁴⁸⁵

According to the statement made by Agus D.W. Martowardojo, Governor of the World Bank for Indonesia of 08 October 2010, Indonesia is looking forward to the IMF's 14th General Quota Review which addresses dynamic under-represented developing

⁴⁸⁰ To move ahead, it is essential that the G20 provides greater clarity and removes ambiguity on this issue, Koreatimes September 2010. Date of Access: 10 October 2010. www.koreatimes.co.kr/www/news/biz/2010/09/123_72401.html

⁴⁸¹ IMF quota formula should be revised: Pranab, Press Trust of India 9 October 2010. Date of Access: 10 October 2010. profit.ndtv.com/news/show/imf-quota-formula-should-be-revised-pranab-106602

⁴⁸² Statement by the Hon. PRANAB MUKHERJEE, Governor of the Fund and the Bank for INDIA, Press Release No. 11, International Monetary Fund 8 October 2010. Date of Access: 12 October 2010. www.imf.org/external/am/2010/speeches/pr11e.pdf

⁴⁸³ Statement by the Hon. PRANAB MUKHERJEE, Governor of the Fund and the Bank for INDIA, Press Release No. 11, International Monetary Fund 8 October 2010. Date of Access: 12 October 2010. www.imf.org/external/am/2010/speeches/pr11e.pdf

⁴⁸⁴ Communiqué of the Meeting of Finance Ministers and Central Bank Governors, G20 Information Centre 23 October 2010. www.g20.utoronto.ca/2010/g20finance101023.html

⁴⁸⁵ Countries that have Accepted the Amendment on Voice and Participation, International Monetary Fund 6 October 2010. Date of Access: 14 October 2010. www.imf.org/external/np/sec/misc/consents.htm#a1

economies. Indonesia would welcome the implementation of the G20 Pittsburgh and Toronto Leaders' Declaration regarding the 5% shift of quota from over represented to underrepresented countries.⁴⁸⁶

On 23 October 2010, G20 Finance Ministers and Central Bank Governors reached agreement on an ambitious set of proposals to reform the IMF's quota and governance. According to the G20 communiqué "these proposals will deliver on the objectives agreed in Pittsburgh and go even further in a number of areas."⁴⁸⁷ Thus, all G20 members complied with the second part of the commitment on IFI reform.

Considering that Indonesia has ratified the Amendment on Voice and Participation and has taken an active stance on addressing the IMF governance reforms approved in Pittsburgh, its score is +1.

Analyst: Irina Grechukhina

Italy: +1

Italy has fully complied with the commitment to complete the 2008 quota reform and deliver on other IMF's governance reforms.

On 25 January 2010, Italy accepted the Amendment on Voice and Participation regarding the IMF's quota and voice reform.⁴⁸⁸

On 8-10 October 2010, Italian Minister of Economy and Finance Giulio Tremonti attended the IMF-World Bank Annual meetings.⁴⁸⁹ The minister reiterated the commitment to reaching a compromise and agreeing on a set of proposals that can be endorsed by the membership in time for the envisaged deadline of January 2011. The Minister reiterated a strong commitment to protecting the voting share of the poorest members, noted the merits in the proposal of transforming the IMFC into a decision-making body, and supported an open, transparent, and unbiased process for the selection of the Managing Director and Deputy Manager Directors with balanced distribution of Fund staff.⁴⁹⁰

On 23 October 2010, G20 Finance Ministers and Central Bank Governors reached agreement on an ambitious set of proposals to reform the IMF's quota and governance. According to the G20 communiqué "these proposals will deliver on the objectives agreed

⁴⁸⁶ Press Release No. 37 October 8, 2010, the International Monetary Fund and World Bank 10 October 2010. Date of Access: 15 October 2010. www.imf.org/external/am/2010/speeches/pr37e.pdf.

⁴⁸⁷ Communiqué of the Meeting of Finance Ministers and Central Bank Governors, G20 Information Centre 23 October 2010. www.g20.utoronto.ca/2010/g20finance101023.html.

⁴⁸⁸ Acceptances of the Proposed Amendments of the Articles of Agreement, International Monetary Fund 6 October 2010. Date of Access: 13 October 2010. www.imf.org/external/np/sec/misc/consents.htm.

⁴⁸⁹ International Monetary and Financial Committee of the Board of Governors of the International Monetary Fund, Twenty-Second Meeting, Attendance, International Monetary Fund 9 October 2010. Date of Access: 13 October 2010. www.imf.org/external/am/2010/imfc/attendees/index.htm.

⁴⁹⁰ Statement by Giulio Tremonti, Minister of Economic and Finance, Ministero dell'Economia e delle Finanze, Italy, International Monetary Fund 9 October 2010. Date of Access: 13 October 2010. www.imf.org/External/AM/2010/imfc/statement/eng/ita.pdf.

in Pittsburgh and go even further in a number of areas.”⁴⁹¹ Thus, all G20 members complied with the second part of the commitment on IFI reform.

Consequently, for the fulfillment of the both parts of the commitment – the IMF’s quota reform completion and delivering on other governance reform – Italy has been awarded a score of +1.

Analyst: Anna Vekshina

Japan: +1

Japan has fully complied with the commitment on International Financial Institutions Reform.

Japan accepted the Amendment on Voice and Participation on 14 July 2009⁴⁹² and constantly reiterated its commitment to successful reform of the IMF governance.

In his statement at the 22nd Meeting of the IMF Committee on 9 October 2010, Minister of Finance of Japan Yoshihiko Noda stressed the importance of the five-percent shift in quota shares “to dynamic emerging market and developing countries” and “from over-represented to under-represented countries,” as agreed at the G20 Summit. He also called for more ministerial engagement of its members in decision making and enhanced geographic diversity of the staff.⁴⁹³

On 23 October 2010, G20 Finance Ministers and Central Bank Governors reached agreement on an ambitious set of proposals to reform the IMF’s quota and governance. According to the G20 communiqué “these proposals will deliver on the objectives agreed in Pittsburgh and go even further in a number of areas.”⁴⁹⁴ Thus, all G20 members complied with the second part of the commitment on IFI reform.

Therefore, Japan has been given a score +1 for its active support of the IMF Reform.

Analyst: Ekaterina Maslovskaya

Mexico: +1

Mexico ratified Amendment on Voice and Participation on 26 March 2009.⁴⁹⁵

On 8-10 October 2010, Secretary of Finance and Public Credit Ernesto Cordero Arroyo participated in the annual Meeting of the International Monetary Fund and the World

⁴⁹¹ Communiqué of the Meeting of Finance Ministers and Central Bank Governors, G20 Information Centre 23 October 2010. www.g20.utoronto.ca/2010/g20finance101023.html.

⁴⁹² Acceptances of the Proposed Amendments of the Articles of Agreement, International Monetary Fund 6 October 2010. Date of access: 14 October 2010. www.imf.org/external/np/sec/misc/consents.htm

⁴⁹³ Statement by the Hon. Yoshihiko Noda Minister of Finance of Japan and Governor of the IMF for Japan at the Twenty-Second Meeting of the International Monetary and Financial Committee, Ministry of Finance of Japan 10 October 2010. Date of access: 12 October 2010. www.mof.go.jp/english/if/imfc_101009st.pdf

⁴⁹⁴ Communiqué of the Meeting of Finance Ministers and Central Bank Governors, G20 Information Centre 23 October 2010. www.g20.utoronto.ca/2010/g20finance101023.html.

⁴⁹⁵ www.imf.org/external/np/sec/misc/consents.htm

Bank Group in Washington DC.⁴⁹⁶ The communiqué of the Twenty-First Meeting of the International Monetary and Financial Committee of the Board of Governors of the International Monetary Fund reiterated the need for further action to pursue the quota and governance reforms of the IMF.⁴⁹⁷

On 23 October 2010, G20 Finance Ministers and Central Bank Governors reached agreement on an ambitious set of proposals to reform the IMF's quota and governance. According to the G20 communiqué "these proposals will deliver on the objectives agreed in Pittsburgh and go even further in a number of areas."⁴⁹⁸ Thus, all G20 members complied with the second part of the commitment on IFI reform. Therefore, Mexico has been given a score +1 for its active support of the IMF Reform.

Analyst: Maria Sazonova

Korea: +1

On 22 January 2009, Korea accepted the Amendment on Voice and Participation.⁴⁹⁹

On 9 October 2010, Mr. Jeung-Hyun Yoon, Minister of Strategy and Finance in his speech to the International Monetary and Financial Committee delivered a speech on the quota and governance reforms adopted at Pittsburgh G20 summit and reinforced Korea's position:⁵⁰⁰

1. "The unresolved issue of the size and composition of the Executive Board has created significant uncertainty. We therefore urge members to seek a swift resolution that will enable a regular election to be held in the near future... this could renew the momentum of broader governance reforms, where progress has slowed."
2. "We would like to reiterate our consistent support for governance reforms to increase the traction of the Fund's advice with policymakers, improve accountability and legitimacy to the membership, and improve the representation of dynamic emerging market economies at the Board."
3. As strong supporters of diversity in staff selection at the Fund, we reiterate our calls for the IMFC to end the long-standing convention of European Managing Directors and clearly indicate the future appointments will be made purely on merit. "

On 23 October 2010, G20 Finance Ministers and Central Bank Governors reached agreement on an ambitious set of proposals to reform the IMF's quota and governance. According to the G20 communiqué "these proposals will deliver on the objectives agreed

⁴⁹⁶ www.imf.org/external/am/2010/imfc/attendees/index.htm

⁴⁹⁷ www.imf.org/external/np/sec/pr/2010/pr10379.htm

⁴⁹⁸ Communiqué of the Meeting of Finance Ministers and Central Bank Governors, G20 Information Centre 23 October 2010. www.g20.utoronto.ca/2010/g20finance101023.html.

⁴⁹⁹ Acceptances of the Proposed Amendments of the Articles of Agreement, International Monetary Fund 6 October 2010, Date of Access: 15 October 2010, www.imf.org/external/np/sec/misc/consents.htm

⁵⁰⁰ Statement by Jeung-Hyun Yoon, Minister of Strategy and Finance, Ministry of Strategy and Finance, Republic of Korea, International Monetary Fund 9 October 2010, Date of Access: 15 October 2010, www.imf.org/External/AM/2010/imfc/statement/eng/kor.pdf

in Pittsburgh and go even further in a number of areas.”⁵⁰¹ Thus, all G20 members complied with the second part of the commitment on IFI reform.

Korea has already ratified, the Amendment on Voice and Participation. It is a country advocating the shift in quota to dynamic emerging market and developing countries of at least five percent from over-represented to under-represented countries. The country takes an active stance on addressing at least two of the IMF governance reforms approved in Pittsburgh. For taking active participation in promoting IMF quota and governance reform Korea has been awarded a score of +1.

Analyst: Alexander Simonov

Russia: +1

Russia has fully complied with the commitment on IMF reform.

Russia accepted the Amendment on Voice and Participation on 13 September 2010.⁵⁰² In a joint statement on all-round deepening of the Russian-Chinese partnership and strategic cooperation, which reflected the outcome of the talks between Russian President Dmitry Medvedev and President of China Hu Jintao in September 2010, both sides urged the G20 to ensure implementation of the quota and voice redistribution approved in Pittsburgh before the Seoul summit.⁵⁰³

On 6 October 2010 Russian Deputy Prime Minister and Finance Minister Alexei Kudrin discussed the IMF governance reform with French Finance Minister Christine Lagarde. The parties agreed that it was necessary to promote a search of compromise ways to implement a 5 per cent redistribution of quotas in the IMF to developing countries.⁵⁰⁴

On 14 October 2010 at the fifth Russia-EU Dialogue meeting on financial and macroeconomic policy Russia and the EU discussed the IMF reforms including “changes in IMF governing bodies, size and makeup of the board of directors and the procedure for appointment of managing director and other executive officers.”⁵⁰⁵

On 23 October 2010, G20 Finance Ministers and Central Bank Governors reached agreement on an ambitious set of proposals to reform the IMF’s quota and governance. According to the G20 communiqué “these proposals will deliver on the objectives agreed

⁵⁰¹ Communiqué of the Meeting of Finance Ministers and Central Bank Governors, G20 Information Centre 23 October 2010. www.g20.utoronto.ca/2010/g20finance101023.html.

⁵⁰² Acceptances of the Proposed Amendments of the Articles of Agreement. www.imf.org/external/np/sec/misc/consents.htm.

⁵⁰³ Joint statement on all-round deepening of the Russian-Chinese partnership and strategic cooperation, President of Russia 27 September 2010. kremlin.ru/ref_notes/719.

⁵⁰⁴ Press release, Ministry of Finance of Russia 6 October 2010. www1.minfin.ru/ru/press/press_releases/index.php?id4=10840.

⁵⁰⁵ Deputy Prime Minister and Finance Minister Alexei Kudrin speaks at the fifth Russia-EU Dialogue meeting on financial and macroeconomic policy, Government of Russia 14 October 2010. government.ru/eng/docs/12572/.

in Pittsburgh and go even further in a number of areas.”⁵⁰⁶ Thus, all G20 members complied with the second part of the commitment on IFI reform.

Russia has accepted the Amendment on Voice and Participation and actively supported implementation of the IMF reforms approved in Pittsburgh. Thus, it has been awarded a score of +1.

Analyst: Mark Rakhmangulov

Saudi Arabia: 0

The Government of Saudi Arabia has failed to comply fully with the G20 commitment on international financial institutions reform.

Saudi Arabia has not accepted the IMF amendment on voice and participation, but on 19 February 2010 it accepted the amendment to expand the investment authority of the IMF.⁵⁰⁷ However this fact does not constitute compliance with the commitment.

On 23 October 2010, G20 Finance Ministers and Central Bank Governors reached agreement on an ambitious set of proposals to reform the IMF’s quota and governance. According to the G20 communiqué “these proposals will deliver on the objectives agreed in Pittsburgh and go even further in a number of areas.”⁵⁰⁸ Thus, as all G20 members Saudi Arabia complied with the second part of the commitment on IFI reform.

Therefore, Saudi Arabia is awarded a score of 0.

Analyst: Yuriy Zaytsev

South Africa: +1

South Africa has fully complied with the commitment on international financial institutions reform in the monitoring period.

South Africa ratified the Amendment on Voice and Participation on 21 June 2010.⁵⁰⁹

During the G24 press-conference on 7 October 2010 Minister of Finance of the Republic of South Africa Pravin Gordhan expressed the view about the IMF quota reforms and highlighted an expectation that the emerging and developed economies must make the greater sacrifice so that other developing economies can benefit from the quota realignment.⁵¹⁰

⁵⁰⁶ Communiqué of the Meeting of Finance Ministers and Central Bank Governors, G20 Information Centre 23 October 2010. www.g20.utoronto.ca/2010/g20finance101023.html.

⁵⁰⁷ Countries that have Accepted the Amendment to Expand the Investment Authority of the IMF , the official web site of the IMF, 19 February 2010. Date of access: 24 October, 2010. www.imf.org/external/np/sec/misc/consents.htm

⁵⁰⁸ Communiqué of the Meeting of Finance Ministers and Central Bank Governors, G20 Information Centre 23 October 2010. www.g20.utoronto.ca/2010/g20finance101023.html.

⁵⁰⁹ Acceptances of the Proposed Amendments of the Articles of Agreement, International Monetary Fund 06 October 2010. Date of Access: 10 October 2010 www.imf.org/external/np/sec/misc/consents.htm

⁵¹⁰ Transcript of G-24 Press Conference, International Monetary Fund 7 October 2010. Date of Access: 14 October 2010. www.imf.org/external/np/tr/2010/tr100710a.htm

Gordan also emphasized the agreement with the current size of the Executive Board. Moreover, he stressed that the key issue is not about 24 or 20; it is about whether emerging and developing economies have a greater presence amongst the chairs. Those that are overrepresented amongst the chairs of the Board have to find a way of increasing the presence of non-represented countries and constituencies.

In addition, he emphasized a number of other issues in respect of the IMF reform, including the procedure to appoint the heads of the IMF and the World Bank and the necessity for democracy and greater transparency and participation by all countries of the world in this process.⁵¹¹

On 23 October 2010, G20 Finance Ministers and Central Bank Governors reached agreement on an ambitious set of proposals to reform the IMF's quota and governance. According to the G20 communiqué "these proposals will deliver on the objectives agreed in Pittsburgh and go even further in a number of areas."⁵¹² Thus, all G20 members complied with the second part of the commitment on IFI reform.

South Africa actively promotes the IMF governance reform, thus it gets a score +1.

Analyst: Arina Shadrikova

Turkey: +1

Turkey has fully complied with the commitment on International Financial Institutions Reform.

Turkey accepted the Amendment on Voice and Participation on 5 October 2010⁵¹³ and constantly reiterated its commitment to successful reform of the IMF governance. After Turkey's quota at IMF was decided to be raised from 0.55 to 0.61 per cent⁵¹⁴ Turkey embarked on an intensive lobbying effort for a seat on the IMF's Executive Board.⁵¹⁵

On 8 October 2010 Turkish Deputy Prime Minister Ali Babacan called "for the rapid completion of the 14th quota review in IMF," which should involve "a significant shift of quota shares from developed countries to dynamic emerging market and developing countries." He also emphasized the importance of enhancing IMF Board effectiveness

⁵¹¹ Transcript of G-24 Press Conference, International Monetary Fund 7 October 2010. Date of Access: 14 October 2010. www.imf.org/external/np/tr/2010/tr100710a.htm

⁵¹² Communiqué of the Meeting of Finance Ministers and Central Bank Governors, G20 Information Centre 23 October 2010. www.g20.utoronto.ca/2010/g20finance101023.html.

⁵¹³ Acceptances of the Proposed Amendments of the Articles of Agreement, International Monetary Fund 6 October 2010. Date of access: 14 October 2010. www.imf.org/external/np/sec/misc/consents.htm

⁵¹⁴ Turkey's quota at IMF to be up to 0.61 percent, Today's Zaman 1 October 2010. Date of access: 10 October 2010. www.todayszaman.com/tz-web/news-223176-turkeys-quota-at-imf-to-be-up-to-061-percent.html

⁵¹⁵ Tables turned as Turkey lobbies to gain seat on IMF board, Today's Zaman 10 October 2010. Date of access: 13 October 2010. www.todayszaman.com/tz-web/news-223969-tables-turned-as-turkey-lobbies-to-gain-seat-on-imf-board.html

through “shifting some chairs from advanced economies to emerging market economies.”⁵¹⁶

On 23 October 2010, G20 Finance Ministers and Central Bank Governors reached agreement on an ambitious set of proposals to reform the IMF’s quota and governance. According to the G20 communiqué “these proposals will deliver on the objectives agreed in Pittsburgh and go even further in a number of areas.”⁵¹⁷ Thus, all G20 members complied with the second part of the commitment on IFI reform.

Thus, Turkey was awarded a score of +1 for its decisive efforts to promote IMF reform.

Analyst: Ekaterina Maslovskaya

United Kingdom: +1

The UK ratified the Amendment on Voice and Participation and takes an active stance on addressing more than two of the IMF governance reforms approved in Pittsburgh.

The UK ratified the Amendment on Voice and Participation on 20 July 2009.⁵¹⁸

On 9 October 2010, George Osborne, Chancellor of the Exchequer in the International Monetary and Financial Committee statement appealed to all countries to provide greater quota and board representation to the dynamic emerging and developing countries, provide more security to the voting share of the poorest on the board and accelerate the work on the IMF’s quota review . He called for a shift of over 5% from over represented countries to under-represented countries, and a shift of over 5% to dynamic emerging markets and developing countries.⁵¹⁹

The UK also promotes international financial reforms in bilateral negotiations with other countries. For example, on 29 July 2010 Minister of Finance of India Pranab Mukherjee and the UK Chancellor of the Exchequer George Osborne declared of their collaboration to pursue financial sector reforms, including quota and governance reforms in the International Monetary Fund.⁵²⁰

On 23 October 2010, G20 Finance Ministers and Central Bank Governors reached agreement on an ambitious set of proposals to reform the IMF’s quota and governance. According to the G20 communiqué “these proposals will deliver on the objectives agreed

⁵¹⁶ Statement by Ali Babacan, Deputy Prime Minister and Governor of the Fund for Turkey, International Monetary Fund 8 October 2010. Date of access: 13 October 2010. www.imf.org/external/am/2010/speeches/pr34e.pdf

⁵¹⁷ Communiqué of the Meeting of Finance Ministers and Central Bank Governors, G20 Information Centre 23 October 2010. www.g20.utoronto.ca/2010/g20finance101023.html.

⁵¹⁸ Acceptances of the Proposed Amendments of the Articles of Agreement, International Monetary Fund, 6 October 2010. Date of Access: 14 October 2010. www.imf.org/external/np/sec/misc/consents.htm.

⁵¹⁹ Statement by George Osborne, Chancellor of the Exchequer, Treasury, H.M., United Kingdom on behalf of United Kingdom, International Monetary Fund, 09 October 2010. Date of Access: 14 October 2010. www.imf.org/External/AM/2010/imfc/statement/eng/gbr.pdf.

⁵²⁰ India, UK to Join Hands to Push Financial Reforms, The Financial Express, 30 July 2010. Date of Access: 14 October 2010. www.financialexpress.com/news/india-uk-to-join-hands-to-push-financial-reforms/653536/.

in Pittsburgh and go even further in a number of areas.”⁵²¹ Thus, all G20 members complied with the second part of the commitment on IFI reform.

The UK ratified the Amendment on Voice and Participation and takes an active stance on addressing the IMF governance reforms on shift in quota share to dynamic emerging market and developing countries, protecting the voting share of the poorest in the IMF and accelerating of the work. Therefore, the score of the UK is +1 for full fulfillment of this commitment.

Analyst: Natalia Churkina

United States: +1

The U.S. both ratified the Amendment on Voice and Participation (7/10/2009)⁵²² and have contributed to the shift in quota share from advanced to emerging economies of at least five percent.

In August the U.S. blocked a proposal to maintain the IMF’s executive 24-member board as part of a push to give emerging economies more say at the institution. The U.S. had long backed reducing the number of IMF board seats to 20 and thus strengthening the representation of the emerging countries.^{523,524}

The U.S. struggled for higher representation of the emerging countries and therefore risked a conflict between the U.S. and Europe which confronted this decision.⁵²⁵

On 23 October 2010, G20 Finance Ministers and Central Bank Governors reached agreement on an ambitious set of proposals to reform the IMF’s quota and governance. According to the G20 communiqué “these proposals will deliver on the objectives agreed in Pittsburgh and go even further in a number of areas.”⁵²⁶ Thus, all G20 members complied with the second part of the commitment on IFI reform.

Therefore the U.S. is scored +1 for the compliance with the commitment on the International Financial Institutions Reform.

Analyst: Tatyana Lanshina

⁵²¹ Communiqué of the Meeting of Finance Ministers and Central Bank Governors, G20 Information Centre 23 October 2010. www.g20.utoronto.ca/2010/g20finance101023.html.

⁵²² Acceptances of the Proposed Amendments of the Articles of Agreement, International Monetary Fund 6 October 2010. Date of Access: 24 October 2010. www.imf.org/external/np/sec/misc/consents.htm.

⁵²³ U.S. Blocks IMF Board Proposal, Seeks Emerging Countries’ Voice, Bloomberg 20 August. Date of Access: 10 September. www.businessweek.com/news/2010-08-20/u-s-blocks-imf-board-proposal-seeks-emerging-countries-voice.html

⁵²⁴ U.S. gets tough to make Europe yield IMF power, Reuters 26 August 2010. Date of Access: 10 September 2010. www.reuters.com/article/idUSTRE67P49Y20100826

⁵²⁵ Power struggle threatens to paralyze IMF, Reuters 26 August 2010. Date of Access: 10 September 2010. uk.reuters.com/article/idUKLNE67P01520100826

⁵²⁶ Communiqué of the Meeting of Finance Ministers and Central Bank Governors, G20 Information Centre 23 October 2010. www.g20.utoronto.ca/2010/g20finance101023.html.

European Union: +1

The European Union has taken actions and has had discussions to promote and progress the IMF quota reform and the other governance reforms.

On 9 October 2010 during the IMFC 22nd Meeting Commissioner of the European Commission Olli Rehn highlighted the need to progress urgently on defining the elements of the IMF reforming package. The EU is willing to advance the discussions on quota and voice substantially but expects that other parties involved also show flexibility and pragmatism on these issues. Olli Rehn expressed the view that the visibility of emerging markets and low-income countries should be increased at the IMF. This would comprise both an increase in the quota share of those countries as well as more representation on the IMF's Executive Board. The voice and representation of low-income countries needs to be preserved.⁵²⁷

Chairman of the EU Council of Economic and Finance Ministers Didier Reynders stressed in his Statement at the annual Meeting of Finance Ministers and Central Bank Governors that EU members consider it important to lower the thresholds required for special voting majorities (from 85 percent to for example 60 percent on the vote regarding the size of the IMF Executive Board). The EU also welcomed further work on double-majority voting on a limited range of IMF policy/regulatory issues provided it does not undermine the IMF's decision-making capacity.⁵²⁸

Didier Reynders confirmed support for a balanced distribution of IMF staff, in terms of geographical origin as well as professional and academic background. EU members encourage the IMF to make additional progress on staff diversity. And EU members are ready to participate in a move regarding the appointment of the Head of the International Financial Institutions (IFIs). He said, the heads and senior leadership of all IFIs could be appointed through an open, transparent and merit-based process, irrespective of nationality and gender.⁵²⁹ The EU members expressed view that the current size of the Executive Board of 24 seats strikes the right balance between inclusiveness/legitimacy and an effective functioning of the Fund. For that reason, the EU opposed a reduction of the size of the IMF's Executive Board.⁵³⁰

⁵²⁷ IMFC Statement by Olli Rehn, Commissioner, European Commission, International Monetary Fund 9 October 2010. Date of Access: 14 October 2010.
www.imf.org/External/AM/2010/imfc/statement/eng/ec.pdf

⁵²⁸ Statement by Mr. Didier REYNDERS, Minister of Finance in his capacity as Chairman of the EU Council of Economic and Finance Ministers at the IMFC Annual Meeting, International Monetary Fund 9 October 2010. Date of Access: 14 October 2010.
www.imf.org/External/AM/2010/imfc/statement/eng/eu.pdf

⁵²⁹ Statement by Mr. Didier REYNDERS, Minister of Finance in his capacity as Chairman of the EU Council of Economic and Finance Ministers at the IMFC Annual Meeting, International Monetary Fund 9 October 2010. Date of Access: 14 October 2010.
www.imf.org/External/AM/2010/imfc/statement/eng/eu.pdf

⁵³⁰ Statement by Mr. Didier REYNDERS, Minister of Finance in his capacity as Chairman of the EU Council of Economic and Finance Ministers at the IMFC Annual Meeting, International Monetary Fund 9 October 2010. Date of Access: 14 October 2010.
www.imf.org/External/AM/2010/imfc/statement/eng/eu.pdf

President of the European Council Herman van Rompuy on 4 October 2010 remarked the EU support to implement the IMF quota reform by the G20 Summit of November, to adequately reflect the relative weight and responsibilities of the IMF members in the world economy. The IMF quota shares must be shifted to dynamic emerging markets and developing countries by at least 5% from overrepresented to underrepresented countries.⁵³¹ Moreover, the Brussels Declaration states that, in parallel, wider governance issues should be addressed. These include an open, transparent and merit-based process for the appointment of heads and senior leadership of international institutions, Fund Governor's involvement in the strategic oversight of the IMF, staff diversity at senior and mid-level positions, voting modalities, and a representative and inclusive size of the IMF's Executive Board.⁵³²

On 23 October 2010, G20 Finance Ministers and Central Bank Governors reached agreement on an ambitious set of proposals to reform the IMF's quota and governance. According to the G20 communiqué "these proposals will deliver on the objectives agreed in Pittsburgh and go even further in a number of areas."⁵³³ The EU agreed to greater representation for EMDCs at the Executive Board through 2 fewer advanced European chairs.

As the European Union is not a member of the IMF it can not ratify the Amendment on Voice and Participation but it fully supports a better representation for emerging countries and a shift of quota shares from over to under represented countries to improve the IMF governance. So, the EU gets a score +1 for compliance with the commitment.

Analyst: Arina Shadrikova

⁵³¹ More effective global financial and economic governance remarks by President Herman VAN ROMPUY after the first day of the 8th Asia-Europe Meeting (ASEM) PCE 205/10, Council of the European Union 4 October 2010. Date of Access: 14 October 2010. www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/116880.pdf

⁵³² Brussels Declaration on More Effective Global Economic Governance: Towards More Effective Global Economic Governance, Council of the European Union 5 October 2010. Date of Access: 14 October 2010. www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/er/116888.pdf

⁵³³ Communiqué of the Meeting of Finance Ministers and Central Bank Governors, G20 Information Centre 23 October 2010. www.g20.utoronto.ca/2010/g20finance101023.html

7. Food and Agriculture [43]

Commitment

[We welcome the launch of the Global Agriculture and Food Security Program in fulfillment of our Pittsburgh commitment on food security, an important step to further implement the Global Partnership for Agriculture and Food Security, and invite further contributions. Looking ahead, we commit to exploring innovative, results-based mechanisms to harness the private sector for agricultural innovation.] We call for the full implementation of the L'Aquila Initiative and the application of its principles.

G20 Toronto Summit Declaration

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina		0	
Australia		0	
Brazil			+1
Canada			+1
China		0	
France		0	
Germany		0	
India		0	
Indonesia		0	
Italy		0	
Japan		0	
Korea		0	
Mexico		0	
Russia		0	
South Africa		0	
Saudi Arabia		0	
Turkey	-1		
United Kingdom		0	
United States			+1
European Union			+1
Average Score			+0.15

Background

During the 2009 L'Aquila Summit heads of state, government and international and regional organizations reiterated their concerns about global food security and the impact the global financial crisis was having on food prices. Leaders committed to work directly with vulnerable countries and regions to develop and implement their own food security strategies and to increase financial and technical assistance for those strategies. Specifically, the leaders introduced a concrete strategy that would include the following:

Increased agriculture productivity, stimulus to pre and post-harvest interventions, emphasis on private sector growth, smallholders, women and families, preservation of the natural resource base, expansion of employment

and decent work opportunities, knowledge and training, increased trade flows, and support for good governance and policy reform.⁵³⁴

The L'Aquila Food Security Initiative (AFSI) requires sustained funding and increased targeted investment in order to increase world food production. As a result, leaders committed to increase ODA and investment in short, medium and long-term agriculture developments that benefit the poorest and most marginalized segments of the population. They labeled the ability to access adequate and affordable nutritious food as being a critical aspect of food security. They reiterated the importance of continued assistance of specialized agencies, Funds and Programmes, including WFP as well as non-governmental organizations.⁵³⁵

At the 2009 G20 Pittsburgh Summit, leaders called for the implementation of the Global Partnership for Agriculture and Food Security. They also highlighted the need to address excessive price volatility. In support of the Comprehensive African Agricultural Development Program (CAADP), the leaders called on the World Bank to work with interested donors and organizations, in order to develop a multilateral trust fund to aid with agricultural assistance to developing countries. They also called upon the World Bank, the African Development Bank, the United Nations Food and Agriculture Organization (FAO), International Fund for Agricultural Development (IFAD), World Bank Programme (WFP) and other stakeholders to coordinate their efforts, primarily through country-led mechanisms, to complement existing multilateral and bilateral efforts to tackle the food security crisis.⁵³⁶

At the Muskoka Summit, leaders noted that as of 30 April 2010, the leaders had disbursed \$6.5 billion and that they remain committed to allocating the full amount of their individual commitments by 2012.⁵³⁷

Commitment Features

During the 2009 G8 L'Aquila Summit, leaders committed \$20 billion over three years for sustainable agriculture development and safety nets for vulnerable populations. The AFSI was endorsed by 27 countries and 15 international organizations.⁵³⁸

The AFSI is based on five fundamental principles to enhance food security: to use a comprehensive approach; invest in country-led plans; strengthen strategic co-ordination;

⁵³⁴ G8 Summit Statement on Food Security, Reuters (Muskoka) 10 July 2009. Date of Access: 15 October 2010. www.reuters.com/article/idUSLA521526_CH_2400

⁵³⁵ G8 Summit Statement on Food Security. Reuters. 10 July 2009. Date of Access: 15 October 2010. www.reuters.com/article/idUSLA521526_CH_2400

⁵³⁶ G20 Leaders Statement: The Pittsburgh Summit. G20 Information Centre (Toronto) 24 -25 September 2009. Date of Access: 10 October 2010. www.g20.utoronto.ca/2009/2009communique0925.html

⁵³⁷ G8 Summit Communiqué: Muskoka Declaration, CTV News (Muskoka) 26 June 2010. Date of Access: 10 October 2010. www.ctv.ca/CTVNews/QPeriod/20100626/text-of-the-g8-communiqué/

⁵³⁸ L'Aquila Joint Statement on Global Food Security: L'Aquila Food Security Initiative (AFSI) L'Aquila Summit. G8 Information Centre (Toronto) 9 July 2008. Date of Access: 8 October 2010. www.g8.utoronto.ca/summit/2009laquila/2009-food.html.

leverage benefits of multilateral institutions; and deliver on sustained and accountable commitments.⁵³⁹

14 of the G20 countries committed to provide funding for the AFSI at the 2009 G8 Summit. As such, to comply with this commitment they must have mobilized at least a portion of their monetary contributions. The remaining 6 G20 members, who were not present, are not required to satisfy a monetary contribution requirement, but must implement the principles of the initiative.

Scoring Guidelines

-1	G20 member has not implemented any of the L'Aquila Food Security Initiative principles.
0	G20 member has partially implemented the main L'Aquila Food Security Initiative principles, by doing one, two, three or four of the following: (1) using a comprehensive approach; (2) investing in country-led plans; (3) strengthening strategic co-ordination; (4) leveraging benefits of multilateral institutions; and/or (5) delivering on sustained and accountable commitments.
+1	G20 member has implemented all of the main L'Aquila Food Security Initiative principles, by doing the following: (1) using a comprehensive approach; (2) investing in country-led plans; (3) strengthening strategic co-ordination; (4) leveraging benefits of multilateral institutions; and (5) delivering on sustained and accountable commitments.

Argentina: 0

Argentina has partially complied with its commitment to the full implementation and application of the L'Aquila Food Security Initiative and its principles.

On 22 October 2010, Argentine Agriculture Minister Julian Dominguez met with Brazil's Agriculture Minister Wagner Rossi to discuss plans to create an alliance with other South American producers of grains and oilseeds to deal jointly with buyers in Asian and elsewhere. Minister Dominguez also met with ministers from Chile, Paraguay and Uruguay in Santiago to establish "consistent" policies with neighbouring South American countries. Minister Santiago emphasized the need for cooperation between the South American countries, he stated, "If we join forces we will become the world's most important regional producer of grains... It's about unifying our supply platform."⁵⁴⁰

Thus, Argentina has been awarded a score of 0 for its partial implementation of the L'Aquila Food Security Initiative principles.

Analyst: Ivana Jankovic

⁵³⁹ G8 Muskoka Declaration Recovery and New Beginnings. Government of Canada (Muskoka) 25 – 26 June 2010. Date of Access: 10 October 2010. g8.gc.ca/g8-summit/summit-documents/g8-muskoka-declaration-recovery-and-new-beginnings/

⁵⁴⁰ Brazil, Argentina in Soybean Talks to Curb Asia Power, Bloomberg Businessweek 22 October 2010. Date of Access: 18 October 2010. www.businessweek.com/news/2010-10-22/brazil-argentina-in-soybean-talks-to-curb-asia-power.html

Australia: 0

Australia has partially complied with its commitment to the full implementation and application of the L'Aquila Food Security Initiative and its principles.

From 16 to 17 October 2010 Australia participated in the first-ever “Ministerial Meeting on Food Security” in Japan. The meeting was attended by the Asia-Pacific Economic Cooperation (APEC) member states. During the meeting, Australia committed to “develop a framework for fisheries development assistance outlining sustainable fishery goals and the priority areas to secure food supplies and livelihood.”⁵⁴¹ Australia also committed to preventing and controlling transboundary animal and plant disease that escalates food security. It committed to, “hold training on building capability for plant pest surveillance and diagnostics skills...provide quarantine regulators with fumigation audit training to enhance their technical fumigation expertise...hold training workshop to improve understanding of current and emerging phytosanitary risk management practices.”⁵⁴²

Thus, Australia has been awarded a score of 0 for its partial implementation of the L'Aquila Food Security Initiative principles.

Analyst: Ivana Jankovic

Brazil: +1

Brazil has fully complied with its commitment to the full implementation and application of the L'Aquila Food Security Initiative and its principles. It has worked to enhance food security by continuing to invest in country-led plans, promoting sustainable agricultural development, leveraging the benefits of multilateral institutions, strengthening coordination and delivering on accountable commitments.

Brazil has been active in funding international food aid programs. On 8 July 2010, the Brazilian Foreign Ministry announced Brazil's contribution of USD400 000 to the UN World Food Program to aid Guatemala.⁵⁴³ On 14 July 2010, Brazil made USD250 000 available to the World Food Program in Iraq for humanitarian development.⁵⁴⁴ On 26 July 2010, Brazil pledged USD300 000 to the World Food Program for humanitarian aid

⁵⁴¹ APEC Action Plan on Food Security (Niigata) 16 – 17 October 2010. Date of Access: 18 October 2010. www.mofa.go.jp/policy/economy/apec/ap_fs_1010.pdf

⁵⁴² APEC Action Plan on Food Security (Niigata) 16 – 17 October 2010. Date of Access: 18 October 2010. www.mofa.go.jp/policy/economy/apec/ap_fs_1010.pdf

⁵⁴³ Humanitarian Aid to Guatemala, Foreign Ministry Services (Brasilia) 8 July 2010. Date of Access: 19 October 2010. translate.google.ca/translate?hl=en&sl=pt&u=www.itamaraty.gov.br/&ei=YnK_TKaMOoLqOcaxpS8&sa=X&oi=translate&ct=result&resnum=3&ved=0CCQQ7gEwAg&prev=/search%3Fq%3Dbrazil%2Bforeign%2Bministry%26hl%3Den%26biw%3D1280%26bih%3D650 Note No. 437

⁵⁴⁴ Humanitarian Aid to Iraq, Foreign Ministry Services (Brasilia) 14 July 2010. Date of Access: 19 October 2010. translate.google.ca/translate?hl=en&sl=pt&u=www.itamaraty.gov.br/&ei=YnK_TKaMOoLqOcaxpS8&sa=X&oi=translate&ct=result&resnum=3&ved=0CCQQ7gEwAg&prev=/search%3Fq%3Dbrazil%2Bforeign%2Bministry%26hl%3Den%26biw%3D1280%26bih%3D650 Note No. 443

in the refugee camps of Tindouf, Algeria.⁵⁴⁵ On 6 August 2010, Brazil made USD500 000 available to the UN World Food Program for emergency relief to aid Pakistan during the flood crisis.⁵⁴⁶

On 14 September 2010, ActionAid, an antipoverty NGO in its annual Hunger Free Scorecard, ranked Brazil as a world leader in developing countries to combat world hunger. The report credits Brazil's success to increased investments in small farms, cash transfers, food rations and free school meals, adding that Brazil has halved its number of underweight children in less than a decade.⁵⁴⁷

On 21 September 2010, participants of the India, Brazil and South African Facility for Poverty and Hunger Alleviation (IBSA Fund) were honoured with the 2010 UN Millennium Development Goals Award for South-South Cooperation. The main objectives of the IBSA Fund are to alleviate poverty and hunger nations in the Southern hemisphere by increasing South-South cooperation and creating new frameworks and projects that focus on development promotion.⁵⁴⁸ IBSA Fund projects focus on sharing successful development strategies (that focus mostly on national ownership) amongst the participants and applying them, through the UNDP to impoverished nations such as Haiti, Cambodia and Palestine.⁵⁴⁹

The Brazilian Foreign Affairs Ministry announced Brazil's participation in World Food Day on 14 October 2010 with the release of a documentary *Lèt Agogo* "Plentiful Milk" created in partnership with the UN Food and Agriculture Organization (FAO). The aim of the documentary is to draw attention to the cooperative success between the Brazilian Government, small producers and the Haitian Government with Haiti's National School Meals Program. The program aims to provide food security in Haiti and contribute to socioeconomic development.⁵⁵⁰

⁵⁴⁵ Humanitarian aid to refugees at Tindouf camps, Foreign Ministry Services (Brasilia) 26 July 2010. Date of Access: 20 October 2010.

translate.google.ca/translate?hl=en&sl=pt&u=www.itamaraty.gov.br/&ei=YnK_TKaMOoLqOcaxpS8&sa=X&oi=translate&ct=result&resnum=3&ved=0CCQQ7gEwAg&prev=/search%3Fq%3Dbrazil%2Bforeign%2Bministry%26hl%3Den%26biw%3D1280%26bih%3D650 Note No. 467

⁵⁴⁶ Humanitarian assistance to Pakistan / Humanitarian aid to Pakistan, Foreign Ministry Services (Brasilia) 6 August 2010. Date of Access: 20 October 2010.

translate.google.ca/translate?hl=en&sl=pt&u=www.itamaraty.gov.br/&ei=YnK_TKaMOoLqOcaxpS8&sa=X&oi=translate&ct=result&resnum=3&ved=0CCQQ7gEwAg&prev=/search%3Fq%3Dbrazil%2Bforeign%2Bministry%26hl%3Den%26biw%3D1280%26bih%3D650 Note No. 515

⁵⁴⁷ Millennium Development Goals Scorecard Report, ActionAid (London) 14 September 2010. Date of Access: 19 October 2010. www.actionaid.org/pages.aspx?PageID=34&ItemID=572

⁵⁴⁸ About IBSA Trust Fund, IBSA. Date of Access: 18 October 2010. tcdc2.undp.org/IBSA/about/about.htm

⁵⁴⁹ India, Brazil and South Africa get UN award, The Indian News (United Nations) 21 September 2010. Date of Access: 20 October 2010. www.thaindian.com/newsportal/business/india-brazil-and-south-africa-get-un-award_100431873.html

⁵⁵⁰ World Food Day, Foreign Ministry Services (Brasilia) 14 October 2010. Date of Access: 20 October 2010.

translate.google.ca/translate?hl=en&sl=pt&u=www.itamaraty.gov.br/&ei=YnK_TKaMOoLqOcaxpS8&sa=X&oi=translate&ct=result&resnum=3&ved=0CCQQ7gEwAg&prev=/search%3Fq%3Dbrazil%2Bforeign%2Bministry%26hl%3Den%26biw%3D1280%26bih%3D650 Note No. 622

Thus, Brazil has fully complied with its commitment to food security, strengthening coordination and delivering on accountable commitments through various food aid programs and as a result, it has been awarded a score of +1.

Analyst: Irene Noemy Magharian

Canada: +1

Canada partially complied with its commitment to the full implementation and application of the L'Aquila Food Security Initiative (AFSI) and its principles. It has made several monetary commitments to alleviating the food security crisis in several countries, and has used multilateral institutions and NGOs to enhance food security.

On 8 October 2010, Canada pledged USD50 million for a private sector facility within the Global Agriculture and Food Security Program to “strengthen food security in low-income countries and increase private sector investments in agriculture.”⁵⁵¹ Minister of Finance Jim Flaherty said, “The agricultural sector accounts for the majority of the labour force in many poor countries, but only receives a small fraction of total commercial bank lending. The innovative Global Agriculture and Food Security Program can help fill this important financing gap and support sustainable private sector development.”⁵⁵² Further, Minister for International Cooperation Beverley Oda stated, “This investment in agriculture will make a substantial contribution to strengthening food security and the agricultural sector in many developing countries...the financing instruments and technical assistance offered are a cost-effective way to provide significant benefits to smallholder farmers, many of whom are women, and their communities.”⁵⁵³

On 15 October 2010 Minister Oda announced that the Canadian International Development Agency (CIDA) would provide CAD11.5 million to the UN Food and Agriculture Organization, Save the Children Canada, and Development and Peace in response to the agricultural recovery needs of Pakistan in wake of its recent flooding. Minister Oda said, “Today, Canada is providing urgently needed agricultural support to make sure that farmers can recover and plant on their land in time for the critical wheat season currently underway. Our help will also prevent further loss of livestock that is critical to the well-being of farmers in the flooded regions.” This short-term initiative,

⁵⁵¹ IFC, Canada, U.S Establish \$100 million Private Sector Facility to Strengthen Food Security, The Financial. 09 October 2010. Date of Access: 24 October 2010.

finchannel.com/Main_News/Business/72740_IFC,

[Canada_U.S._Establish_\\$100_million_Private_Sector_Facility_to_Strengthen_Food_Security/](http://finchannel.com/Main_News/Business/72740_IFC_Canada_U.S._Establish_$100_million_Private_Sector_Facility_to_Strengthen_Food_Security/)

⁵⁵² IFC, Canada, U.S Establish \$100 million Private Sector Facility to Strengthen Food Security. The Financial. 09 October 2010. Date of Access: 24 October 2010.

[finchannel.com/Main_News/Business/72740_IFC_Canada_U.S._Establish_\\$100_million_Private_Sector_Facility_to_Strengthen_Food_Security/](http://finchannel.com/Main_News/Business/72740_IFC_Canada_U.S._Establish_$100_million_Private_Sector_Facility_to_Strengthen_Food_Security/)

⁵⁵³ IFC, Canada, U.S Establish \$100 million Private Sector Facility to Strengthen Food Security. The Financial. 09 October 2010. Date of Access: 24 October 2010.

[finchannel.com/Main_News/Business/72740_IFC_Canada_U.S._Establish_\\$100_million_Private_Sector_Facility_to_Strengthen_Food_Security/](http://finchannel.com/Main_News/Business/72740_IFC_Canada_U.S._Establish_$100_million_Private_Sector_Facility_to_Strengthen_Food_Security/)

undertaken using the framework of the UNFAO, and other NGOs, will help alleviate the loss of over 4 million acres of crops in Pakistan.⁵⁵⁴

Minister Oda announced on 17 July 2010 that CIDA would be contributing CAD6.8 million to address the food security crisis in Chad and Niger. This will provide short-term assistance to “meet the vital food assistance needs of more than 6 million people.”⁵⁵⁵ As recognized by the AFSI, “the ability to access adequate and affordable nutritious food is a critical aspect of food security.”⁵⁵⁶

In a speech to the United Nations General Assembly on 23 September 2010, Canadian Prime Minister Stephen Harper stated, “We [Canada] have untied food aid, and all Canadian aid will be untied by 2013. Such measures significantly extend the purchasing power of Canadian aid funds. Canada was also among the first last year at L’Aquila, to double support for agricultural development. And during the economic crisis, we have acted, in concert with G-20 partners, to increase the lending capacity of development organizations like the Inter-American Development Bank and the African Development Bank.”⁵⁵⁷

The AFSI recognized that “open trade flows and efficient markets have a positive role in strengthening food security.”⁵⁵⁸ On 6 October 2010, Finance Minister Jim Flaherty highlighted some of Canada’s accomplishments while chair of the G8, including eliminating more than 1700 tariffs.⁵⁵⁹ Furthermore, in keeping with the AFSI statement that increasing employment opportunities and income prospects in developing countries will help improve access to food,⁵⁶⁰ Canada invested CAD20 million within the framework of the G-20 Small and Medium-Sized Enterprise (SME) Finance Challenge, “to provide SMEs in developing countries with critical access to financing to expand their businesses and create jobs.”⁵⁶¹

⁵⁵⁴ Government of Canada Supports Agricultural Recovery in Pakistan, Canadian International Development Agency (Ottawa) 15 October 2010. Date of Access: 18 October 2010. www.acdi-cida.gc.ca/acdi-cida/ACDI-CIDA.nsf/eng/NAT-101511275-L5G.

⁵⁵⁵ Canada Responds to the Hunger Crisis in Niger and Chad, Canadian International Development Agency (Ottawa) 17 July 2010. Date of Access: 18 October 2010. www.acdi-cida.gc.ca/acdi-cida/ACDI-CIDA.nsf/eng/FRA-71974911-FVB.

⁵⁵⁶ L’Aquila Joint Statement on Global Food Security, G8 Information Centre (Toronto) 10 July 2009. Date of Access: 19 October 2010. www.g8.utoronto.ca/summit/2009laquila/.

⁵⁵⁷ Statement by the Prime Minister of Canada at the 65th United Nations General Assembly in New York (New York) 23 September 2010. Date of Access: 23 October 2010. pm.gc.ca/eng/media.asp?id=3659

⁵⁵⁸ L’Aquila Joint Statement on Global Food Security, G8 Information Centre (Toronto) 10 July 2009. Date of Access: 19 October 2010. www.g8.utoronto.ca/summit/2009laquila/.

⁵⁵⁹ Canada’s Global Leadership Remains Strong as Role as G-7 Chair Draws to a Close, Department of Finance Canada (Ottawa) 6 October 2010. Date of Access: 10 October 2010. www.fin.gc.ca/n10/10-092-eng.asp.

⁵⁶⁰ L’Aquila Joint Statement on Global Food Security, G8 Information Centre (Toronto) 10 July 2009. Date of Access: 19 October 2010. www.g8.utoronto.ca/summit/2009laquila/.

⁵⁶¹ Canada’s Global Leadership Remains Strong as Role as G-7 Chair Draws to a Close, Department of Finance Canada (Ottawa) 6 October 2010. Date of Access: 10 October 2010. www.fin.gc.ca/n10/10-092-eng.asp.

Thus, Canada has been awarded a score of +1 for its full implementation and application of the L'Aquila Food Security Initiative principles. It has made essential short-term contributions of aid to countries in need.

Analyst: Emily Evangelista

China: 0

China has partially complied with its commitment to implement the L'Aquila Food Security Initiative.

On 21 July 2010 Chinese Foreign Minister Yang Jiechi attended the 11th ASEAN Plus Three Foreign Minister's Meeting to boost cooperation. In his six-point proposal Minister Jiechi called for agricultural exchanges to be expanded. Minister Jiechi stated that a rice reserve covering ASEAN plus three countries should be established.⁵⁶²

From 11-12 August 2010, China participated in a China-Africa agriculture forum, which focused on opportunities and challenges in agricultural cooperation. The Chinese Vice Premier Hui Liangyu proposed increasing agricultural cooperation and technological exchange in Africa. The Beijing Declaration of China-Africa Agricultural Forum highlighted the challenge of food security and called upon the international community to honour their aid and debt-relief commitments.⁵⁶³ The Chinese Foreign Minister Yang Jiechi said that the China-Africa Cooperation Forum (FOCAC) promises to achieve new success in future China-Africa relations.⁵⁶⁴ Yang emphasized China's priority in assisting African countries improve agricultural productivity and infrastructure and reiterated the important contribution of the forum in boosting China-Africa cooperation and mutual political trust.⁵⁶⁵

On 14 September 2010, Vice Minister Yi Xiaozhun attended a briefing held by the Ministry of Foreign Affairs. Minister Xiaozhun reiterated China's achievements in foreign aid and reiterated the mutual assistance between developing countries under the South-South cooperation. Xiaozhun emphasized China's continued assistance to developing countries including an effort to "achieve sustainable development of agriculture."⁵⁶⁶

⁵⁶² Chinese FM makes six-point proposal to deepen East Asian cooperation, Chinese Government's Official Web Portal (Hanoi) 21 July 2010. Date of Access 18 October 2010. www.gov.cn/misc/2010-07/21/content_1660651_3.htm

⁵⁶³ China unveils proposals for agricultural cooperation with Africa, Chinese Government's Official Web Portal (Hanoi) 12 August 2010. Date of Access: 18 October 2010. www.gov.cn/misc/2010-08/12/content_1678283.htm

⁵⁶⁴ China-Africa ties have promising future with cooperation forum: foreign minister, Chinese Government's Official Web Portal (Hanoi) 11 October 2010. Date of Access: 18 October 2010. www.gov.cn/misc/2010-10/11/content+17191614.htm

⁵⁶⁵ China-Africa ties have promising future with cooperation forum: foreign minister, Chinese Government's Official Web Portal. 11 October 2010. Date of Access: 18 October 2010. www.gov.cn/misc/2010-10/11/content+17191614.htm

⁵⁶⁶ The ministry of foreign affairs holds a media briefing for Chinese and foreign journalists on premier Wen Jiabao's Attendance on the UN High-Level Meeting on MDGs and the Generate Debate of the 65th Session of the UN General Assembly, Ministry of Foreign Affairs of the People's Republic of China (New York) 14 September 2010. Date of Access: 18 October, 2010. www.fmprc.gov.cn/eng/zxxx/t753421.htm

On 23 September 2010, Chinese foreign ministers and forty-two African countries held a political consultation and issued a joint communiqué outlining China-Africa cooperation. The China reiterated its support for efforts of African countries to increase agricultural production and the implementation of the Comprehensive African Agricultural Development Program (CAADP) of NEPAD. The Chinese government reiterated its commitment to enhance agricultural and food security cooperation through increase agricultural investment, infrastructure development and applicable agro-technology exchange and transfer.⁵⁶⁷ The China-Africa Development Fund was emphasized, with China committing to increase funding to initial USD3 billion, and later to USD5 billion to support the expansion of investments in African countries.⁵⁶⁸

On 22 September 2010, Chinese Premier Wen Jiabo announced a six-point proposal outlining China's foreign aid efforts to in achieving the Millennium Development Goals (MDGs). Jiabo emphasized that further cooperation with developing countries in agriculture is essential. It was announced that China would deploy 3 000 agricultural experts and technicians to developing countries and assist recipient countries train 5 000 technicians in China. Cooperation efforts were also said to cover other areas including agricultural planning.⁵⁶⁹

On 16-17 October 2010, China participated in the Asia Pacific Economic Cooperation (APEC) Ministerial Meeting on Food Security. The Niigata Declaration on APEC Food Security affirmed the important role that APEC had in achieving improved regional and global food security.⁵⁷⁰

Thus, China has been awarded a score of 0 for its promotion of agricultural cooperation and continued investment in country-led plans in Africa.

Analyst: Nadia Bucciarelli

France: 0

France has partially complied with its commitment to the full implementation and application of the L'Aquila Food Security Initiative and its principles. While the French government has not made any monetary pledges they have acted to alleviate food crises in developing countries by calling for increases co-ordination between the G20 countries and have called for tighter regulation of the global food market.

⁵⁶⁷ Full text of joint communiqué of second round of China-Africa foreign ministers, Chinese Government's Official Web Portal (Hanoi) 24 September 2010. Date of Access: 18 October 2010. www.gov.cn/misc/2010-09/24/content_1708790.htm

⁵⁶⁸ Communiqué of Second Round Talks between China and African Foreign Ministers, All Africa. 23 September 2010. Date of Access: 18 October 2010. www.allafrica.com/stories/201009270197.html

⁵⁶⁹ Wen says achieving MDGs remain long, uphill journey, promises to expand China's foreign aid, Chinese Government's Official Web Portal (Hanoi) 23 September 2010. Date of Access: 18 October 2010. www.english.gov.cn/2010-09/23/content_1708319.htm

⁵⁷⁰ APEC Ministers endorse Action Plan on Food Security, Bernama Malaysian National News Agency (Kuala Lumpur) 18 October 2010. Date of Access: 22 October 2010. www.bernama.com/bernama/v5/newsbusiness.php?id=536475

On 7 October 2010, French Minister of Agriculture Bruno Le Maire said, “The issue of food is very important and we want to double the exchange of food products [between India and France] within a very short time.”⁵⁷¹ Minister Le Marie stated that when France takes over the chair of the G20 next year, “we [France] will bring up the agenda of bringing stability to world food prices.”⁵⁷²

On 14 October 2010 France and Brazil released a press release, which calls for the “creation of global and regional food stocks, close monitoring of global cereal stocks especially, greater regulation of food market derivatives, and the creation of financial mechanisms (including price guarantees) to protect food producers from excessive price fluctuations.”⁵⁷³ The press release also states that, “These actions would reduce food price instability and boost food security.”⁵⁷⁴

Thus, France has been awarded a score of 0 for partially complying with its commitment to implement the principles of the Food Security Initiative made at the L’Aquila Summit.

Analyst: Semra Eylul Sevi

Germany: 0

Germany has partially complied with its commitment to the full implementation and application of the L’Aquila Food Security Initiative and its principles. Germany has acted towards strengthening relevant collaborative agreements and has expressed the importance of the European Union in furthering efforts on food and agricultural security.

On 21 September 2010, at the Informal Meeting of EU Agricultural Ministers in La Hulpe, Belgium, German Minister Ilse Aigner encouraged the EU to build towards a strong and sustainable agricultural policy for the future. In particular, the Minister noted the importance of providing adequate food supplies in volatile market conditions, and the need for continued development in rural areas.⁵⁷⁵

On 14 September 2010, Germany and France signed a “joint Position Paper” on the “Future Development of the Common Agricultural Policy (CAP) after 2013.”⁵⁷⁶ Italian

⁵⁷¹ India, France plan pact to boost food processing, Sify Finance (New Delhi) 7 October 2010 Date of Access: 24 October 2010. sify.com/finance/india-france-plan-pact-to-boost-food-processing-news-default-kkhtkghhjee.html

⁵⁷² India, France plan pact to boost food processing, Sify Finance (New Delhi) 7 October 2010 Date of Access: 24 October 2010. sify.com/finance/india-france-plan-pact-to-boost-food-processing-news-default-kkhtkghhjee.html

⁵⁷³ EU Governments seek global action on food price stability, Australian Food News 19 October 2010, Date of Access: 24 October 2010. www.ausfoodnews.com.au/2010/10/19/eu-governments-seek-global-action-on-food-price-stability.html

⁵⁷⁴ EU Governments seek global action on food price stability, Australian Food News 19 October 2010, Date of Access: 24 October 2010. www.ausfoodnews.com.au/2010/10/19/eu-governments-seek-global-action-on-food-price-stability.html

⁵⁷⁵ Aigner: Agricultural Policy must serve society and farmers, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 21 September 2010. Date of Access: 19 October 2010. www.bmelv.de/cln_182/SharedDocs/Pressemitteilungen/EN/2010/163-CommonAgriculturalPolicy.html

⁵⁷⁶ Germany and France make joint commitment for a strong EU Agricultural Policy after 2013, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 14 September 2010. Date of Access: 19 October 2010.

Agricultural Minister Giancarlo Galan has since announced Italy's intention to join the agreement, supporting the Franco-German effort "to keep high Europe's level of investments in agriculture and to defend Europe's intervention on the market."⁵⁷⁷ Moreover, Minister Aigner expressed the need for further collaboration within the EU in regards to the continued development of the CAP.⁵⁷⁸

On 17 September 2010, during her visit to the European Patent Office in Munich, Agricultural Minister Aigner declared that biopatents should not be used to limit agriculture, breeding, or biodiversity. In turn, she suggested a suitable legal framework be put in place in order to better reflect these conditions.⁵⁷⁹

From 29 August to 3 September 2010, Dr. Gerd Müller, Parliamentary State Secretary to the Federal Minister of Food, Agriculture and Consumer Protection, and the Indian State Secretary Basu signed a German-Indian agreement in New Delhi, India on closer cooperation between both countries in the food and agricultural sectors. Both states intend to strengthen cooperation on agricultural research and engineering, plant and animal breeding, and in the dairy sector.⁵⁸⁰

On 29 June 2010, at the meeting of the Fisheries Council in Luxembourg, Dr. Robert Kloos, State Secretary at the Federal Ministry of Agriculture, declared, "In order to ensure that our [European] valuable fish stocks are conserved and used sustainably, we need an ambitious reform of the Common Fisheries Policy." In turn, State Secretary Kloos made recommendations based on "ensuring that the Member States maintain their joint responsibility for sustainable fishery and that coastal fishing has reliable prospects for the future."⁵⁸¹

Thus, Germany has been awarded a score of 0 for partial compliance on its commitment to implement the principles of the Food Security Initiative made at the L'Aquila Summit.

Analyst: Samir Siddiqui

www.bmelv.de/cln_172/sid_6220FF380D45EFF8C36CE0DDF150BDDB/SharedDocs/Pressemitteilungen/EN/2010/AI_GAP2013DE_FR.html

⁵⁷⁷ France, Germany and Italy together for the CAP, Green Med Journal (Verona) 30 September 2010. Date of Access: 20 October 2010. www.greenmed.eu/news-729.html.

⁵⁷⁸ Federal Minister Ilse Aigner travels to Latvia, Lithuania and Estonia, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 14 September 2010. Date of Access: 20 October 2010. www.bmelv.de/cln_172/sid_6220FF380D45EFF8C36CE0DDF150BDDB/SharedDocs/Pressemitteilungen/EN/2010/131-AI-Latvia-Lithuania-Estonia.html.

⁵⁷⁹ Federal Minister Aigner visits European Patent Office, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 24 September 2010. Date of Access: 19 October 2010. www.bmelv.de/cln_182/SharedDocs/Pressemitteilungen/EN/2010/170-AignerEuropeanPatentOffice.html

⁵⁸⁰ State Secretary Gerd Müller: India a key partner for global food security, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 2 September 2010. Date of Access: 19 October 2010. www.bmelv.de/cln_182/sid_7E8FB79D94E41AD5AD4C0B0E6FE2A919/SharedDocs/Pressemitteilungen/EN/2010/150-MUE-India-a-key-partner-for-global-food-security.html.

⁵⁸¹ State Secretary Kloos: Ambitious Reform of Fisheries Policies necessary, Federal Ministry of Food, Agriculture and Consumer Protection (Bonn) 29 June 2010. Date of Access: 20 October 2010. www.bmelv.de/cln_172/sid_6220FF380D45EFF8C36CE0DDF150BDDB/SharedDocs/Pressemitteilungen/EN/2010/121-RK-Fisheries-Policy.html.

India: 0

India has partially complied with its commitment to implement the L'Aquila Food Security Initiative. Through the food security act, it has promoted food entitlement and access for marginalized districts. India remains committed to aiding developing countries achieve food security.

On 14 July 2010, the National Advisory Council (NAC) reached an initial agreement on the draft of the Food Security Act. The NAC recommended 35 kg of food grain to be supplied each month for one-fourth of the country's most disadvantaged districts.⁵⁸² On 23 October, the National Advisory Council, addressing concerns of the impending Food Security Act, recommended that the program should subsidize grain for at least 75 per cent of the country and should commence in the next financial year.⁵⁸³ The act, if passed, would establish the right to food in India, through a government program of subsidized wheat and rice, while utilizing the existing Public Distribution System.⁵⁸⁴

On 15 October 2010, Minister of State for Agriculture and Food K.V Thomas said that India would increase food storage capacity by 17 lakh metric tons within a five-year period.⁵⁸⁵ Plans to increase storage capacity by 2012 are in effort to prevent the rotting of food grains that are not being properly stored.⁵⁸⁶ This is in effort to control the widespread problem of the waste of food grain, which is placing additional strain upon India's food security.

On 20 July 2010, the Food and Agriculture Minister Sharad Paar announced government plans to sell an additional 25-30 lakh tons of wheat and rice at cheaper rates. ⁵⁸⁷ This proposal is aimed to provide relief to households across India that have been affected by food inflation.

On 23 October 2010, the Union Minister for Commerce and Industry, Anand Sharma announced "India will be exporting 300,000 tons of par-boiled rice and 200,000 tons of

⁵⁸² Draft of food security law gets NAC's nod, IBN Live (New Delhi) 14 July 2010. Date of Access: 22 October 2010. www.ibnlive.in.com/news/draft-of-food-security-law-gets-nacs-nod/126697-3.html

⁵⁸³ NAC wants subsidized food for 75 percent Indians, The Economic Times (New Delhi) 24 October 2010. Date of Access: 24 October 2010. www.economictimes.indiatimes.com/articleshow/6801035.cms

⁵⁸⁴ India Formulates sweeping new legal guarantee of right to food, Voice of America. 14 October 2010. Date of Access: 22 October 2010. www.voanews.com/english/news/India-Formulates-Sweeping-New-Legal-Guarantee-of-Right-to-Food-104941634.html

⁵⁸⁵ India will add 17 lakh metric tons of food storage capacity within five years: Thomas, The Economic Times (New Delhi) 15 October 2010. Date of Access: 22 October 2010.

www.economictimes.indiatimes.com/news/economy/indicators/india-will-add-17-lakh-metric-tons-of-food-storage-capacity-within-five-years-Thomas/articleshow/6755264.cms

⁵⁸⁶ India will add 17 lakh metric tons of food storage capacity within five years: Thomas, The Economic Times (New Delhi) 15 October 2010. Date of Access: 22 October 2010.

www.economictimes.indiatimes.com/news/economy/indicators/india-will-add-17-lakh-metric-tons-of-food-storage-capacity-within-five-years-Thomas/articleshow/6755264.cms

⁵⁸⁷⁵⁸⁷ Government may sell additional 30 LT of food grains under PDS: Pawar, India Today (New Delhi) 20 July 2010. Date of Access: 22 October 2010. indiatoday.intoday.in/site/Story/106097/India/govt-may-sell-additional-30-lt-of-foodgrains-under-pds-pawar.html

wheat to Bangladesh.”⁵⁸⁸ The arrangements are in efforts to aid in food security of Bangladesh.

On 27 July 2010, during a State visit by the Head of State of the Union of Myanmar, it was emphasized by both leaders the need to enhance cooperation in agriculture. The Indian government announced a grant of USD 10 million for procurement of agricultural machinery from India to enhance productivity in Myanmar. It was further announced that rice silos, to be utilized for disaster relief operations, would be established.⁵⁸⁹

Thus, India has been awarded a score of 0 for its promotion of domestic and international food security, in addition to continued agricultural cooperation with developing countries.

Analyst: Nadia Bucciarelli

Indonesia: 0

Indonesia has partially complied with its commitment to implement the L’Aquila Food Security Initiative.

On 17 October 2010, Indonesia, as a member of APEC, adopted the Niigata Declaration on APEC Food Security and announced an action plan for the prevention of food shortages in the face of rising population pressures and climate change.⁵⁹⁰ In this action plan, Indonesia committed to promote the consumption of local agricultural products by holding a “workshop on the potency of local food resources, and establish a network among agriculture research centers on food diversification.⁵⁹¹ At the same meeting, APEC member states further agreed to cooperate by promoting responsible agricultural investment, the prevention of fluctuating food prices and the improvement of agricultural trade.⁵⁹² Members also reiterated their agreement to refrain from introducing trade and export restrictions and investment barriers until 2011. The AFSI recognized that “open trade flows and efficient markets have a positive role in strengthening food security.”⁵⁹³

On 16 August 2010, President Susilo Bambang Yudhoyono announced that increasing food and water security was one of the ten strategic goals guiding the 2011 Draft State

⁵⁸⁸ India to export five lt food grain to Bangladesh soon, The Hindu Business Line (New Delhi) 23 October 2010. Date of Access: 23 October 2010.

www.thehindubusinessline.com/2010/10/24/stories/2010102452100300.htm

⁵⁸⁹ Joint Statement during the visit of Chairman, State Peace and Development Council of Myanmar, Ministry of External Affairs. 27 July 2010. Date of Access: 22 October.

www.burmariversnetwork.org/news/11-news/428-joint-statement-during-the-visit-of-chairman-state-peace-and-development-council-of-myanmar.html

⁵⁹⁰ APEC Ministers agree to boost food production, facilitate farm trade, The Mainichi Daily News (Niigata) 17 October 2010. Date of Access: 25 October 2010.

mdn.mainichi.jp/mdnnews/news/20101017p2a00m0na012000c.html

⁵⁹¹ APEC Action Plan on Food Security, Ministry of Foreign Affairs Japan (Tokyo) 17 October 2010. Date of Access: 25 October 2010. www.mofa.go.jp/policy/economy/apec/ap_fs_1010.pdf

⁵⁹² APEC Ministers agree to boost food production, facilitate farm trade (Niigata) 17 October 2010. Date of Access: 25 October 2010. mdn.mainichi.jp/mdnnews/news/20101017p2a00m0na012000c.html

⁵⁹³ L’Aquila Joint Statement on Global Food Security, G8 Information Centre (Toronto) 10 July 2009. Date of Access: 19 October 2010. www.g8.utoronto.ca/summit/2009laquila/

Budget of Indonesia, which are to be accomplished in five years.⁵⁹⁴ This announcements aligns with the claims made by Agriculture Minister Suswono on 23 July 2010 that Indonesia would make food security its top priority to meet its commitments to the Millennium Development Goals. Minister Suswono said, “We are determined to place food security at the top of our agenda. Indonesia needs to go beyond food self-sufficiency, as in the future it also needs to help feed other countries devastated by famine.”⁵⁹⁵ However, in both of these announcements, there was no mention of specific funding allocations or new programming initiatives to address food insecurity in Indonesia.

On 14 October 2010, Deputy Agricultural Minister Bayu Krisnamurthi urged the people of Indonesia to reduce their rice intake in order to reduce pressures on rice production, the staple food in Indonesia. Framing the calls as part of a public education campaign for food security, Minister Bayu argued that reducing rice consumption would force farmers to diversify their crops and increase production of other staple foods, such as cassava, sweet potatoes and bananas. Minister Bayu indicated that the government planned to run this public education campaign for a long, indeterminate period of time.⁵⁹⁶ However, there was no mention of potential funding for farmers to diversify their crops or new programming initiatives to address food insecurity in Indonesia accompanying this campaign.

Thus, Indonesia has been awarded a 0 for its implementation and application of the L’Aquila Food Security Initiative principles. It has strengthened strategic co-ordination for food security solutions through active participation in multilateral institutions. However, Indonesia must invest in food security and deliver on sustained accountable commitments to be fully in compliance.

Analyst: Jessica Soedirgo

Italy: 0

Italy has partially complied with its commitment to the full implementation and application of the L’Aquila Food Security Initiative and its principles.

On 1 July 2010, H. E. Tumusiime Rhoda Peace, Commissioner for Rural Economy and Agriculture at the African Union Commission acknowledged Italy’s long-term commitment and support to the African cause in economic development in the context of the Italian Africa Plan and in the framework of the EU’s Strategic Partnership.⁵⁹⁷

⁵⁹⁴ Principles of the Financial Note and the State Budget Draft 2011, Indonesia Ministry of Finance (Jakarta) 16 October 2010. Date of Access: 25 October 2010. www.depkeu.go.id/Eng/Data/Siaran_Pers/KT_160810.htm.

⁵⁹⁵ Food security top priority in meeting MDG on Hunger, The Jakarta Post (Jakarta) 26 July 2010. Date of Access: 25 October 2010. www.thejakartapost.com/news/2010/07/26/food-security-top-priority-meeting-mdg-hunger.html

⁵⁹⁶ Govt renews call for a reduction in rice intake, The Jakarta Post (Jakarta) 14 October 2010. Date of Access: 25 October 2010. www.thejakartapost.com/news/2010/10/14/govt-renews-call-a-reduction-rice-intake.html.

⁵⁹⁷ Address by H. E. Tumusiime Rhoda Peace at the Second Edition of the Annual Forum – Italy and Africa Partners in Business (Rome) 1 - 2 July 2010. Date of Access: 22 October 2010. www.africa-

Commissioner Peace said, “The African Union appreciates the multi-faceted cooperation and support with Italy in all the pillars of peace and security, good governance, institutional capacity building, regional integration and shared values.”⁵⁹⁸ Italy’s contribution has helped accelerate the pace and the establishment of a Pan-African Common Market in which goods, capital and people will move freely between countries.⁵⁹⁹ Commissioner Peace urged Italian public and private partners to reinforce joint ventures on reliable technology transfers, infrastructure, training and apprenticeship and enhanced risk management mechanisms by way of active intent. ⁶⁰⁰

Thus, Italy has been awarded a score of 0 for partial compliance on its commitment to implement the principles of the Food Security Initiative made at the L’Aquila Summit.

Analyst: Natasha Britto

Japan: 0

Japan has partially complied with its commitment to the full implementation and application of the L’Aquila Food Security Initiative and its principles.

From 16 to 17 October 2010 Japan hosted the first-ever “Ministerial Meeting on Food Security.” The meeting was attended by the Asia-Pacific Economic Cooperation (APEC) member states. During the meeting, Japan agreed to several commitments pertaining to food security. First, Japan reiterated the necessity of creating a platform for information sharing by having a common information platform (IP). It committed to hold a workshop to discuss a framework of a portal website for sharing information provided by economies, develop the website integrating such information as outputs of the activities, best practice, research results and statistics and observe activities. In keeping with its commitment to cooperating among APEC members, Japan announced plans to hold a symposium to share information on the use of water resources and farmers-participatory irrigation management in collaboration with the International Network for Water and Ecosystem in Paddy Fields using the Information Portal.⁶⁰¹ Further, Japan committed to enhancing capacities for research and development by providing research to developing economies with training and agricultural research and by reinforcing international collaborative research on global warming and food security by sharing research

union.org/root/ua/Conferences/2010/juillet/REA/1-

2juillet/Statement_of_HE_Commissioner_Agribusiness_Rome_July_2010_draft_revised.doc

⁵⁹⁸ Address by H. E. Tumusiime Rhoda Peace at the Second Edition of the Annual Forum – Italy and Africa Partners in Business (Rome) 1 - 2 July 2010. Date of Access: 22 October 2010. [www.africa-union.org/root/ua/Conferences/2010/juillet/REA/1-](http://www.africa-union.org/root/ua/Conferences/2010/juillet/REA/1-2juillet/Statement_of_HE_Commissioner_Agribusiness_Rome_July_2010_draft_revised.doc)

2juillet/Statement_of_HE_Commissioner_Agribusiness_Rome_July_2010_draft_revised.doc

⁵⁹⁹ Address by H. E. Tumusiime Rhoda Peace at the Second Edition of the Annual Forum – Italy and Africa Partners in Business (Rome) 1 - 2 July 2010. Date of Access: 22 October 2010. [www.africa-union.org/root/ua/Conferences/2010/juillet/REA/1-](http://www.africa-union.org/root/ua/Conferences/2010/juillet/REA/1-2juillet/Statement_of_HE_Commissioner_Agribusiness_Rome_July_2010_draft_revised.doc)

2juillet/Statement_of_HE_Commissioner_Agribusiness_Rome_July_2010_draft_revised.doc

⁶⁰⁰ Address by H. E. Tumusiime Rhoda Peace at the Second Edition of the Annual Forum – Italy and Africa Partners in Business (Rome) 1 - 2 July 2010. Date of Access: 22 October 2010. [www.africa-union.org/root/ua/Conferences/2010/juillet/REA/1-](http://www.africa-union.org/root/ua/Conferences/2010/juillet/REA/1-2juillet/Statement_of_HE_Commissioner_Agribusiness_Rome_July_2010_draft_revised.doc)

2juillet/Statement_of_HE_Commissioner_Agribusiness_Rome_July_2010_draft_revised.doc

⁶⁰¹ APEC Action Plan on Food Security (Niigata) 16 – 17 October 2010. Date of Access: 18 October 2010. www.mofa.go.jp/policy/economy/apec/ap_fs_1010.pdf

outcomes. Japan has also called for cooperation with non-APEC countries. It has proposed sharing the “best practices” on agricultural assistance to developing countries, primarily African countries.

During the meeting, Japan also made commitments to promote sustainable forest management compatible with food security. It stated that it would, “share information on the impact of deforestation on the natural environment and the sustainability of agricultural production in farmland converted from forest” by using the Asia Forest Partnership as an information source.

Thus, Japan has been awarded a score of 0 for its partial implementation of the L’Aquila Food Security Initiative principles.

Analyst: Ivana Jankovic

Korea: 0

Korea has partially complied with its commitment to the full implementation and application of the L’Aquila Food Security Initiative and its principles.

On 25 October 2010, Unification Ministry spokeswoman Lee Jong-Joo announced that South Korea delivered 5000 tonnes of rice and other aid supplies to North Korea. This food aid is part of the KRW10 million aid package offered in late August 2010 in response to the growing food security crisis in North Korea in wake of its recent flooding.⁶⁰² The AFSI recognizes that “emergency assistance will remain an important means through which national authorities...can provide help to people facing acute hunger.”⁶⁰³

On 3 October 2010, the Spokesperson and Deputy Minister for Public Relations of MOFAT Kim Young-sun announced that in consultation with Pakistan, the Korean government would be contributing USD500 000 of humanitarian aid, including food aid, to help address the immediate needs of flood victims.

On 17 October 2010, South Korea, as a member of APEC, adopted the Niigata Declaration on APEC Food Security and an action plan for the prevention of food shortages in the face of rising population pressures and climate change.⁶⁰⁴ In this action plan, South Korea committed to: (1) “Conduct agricultural cooperation program for technology-sharing and joint resource-development with developing countries in Asia, Africa, and Latin America” and (2) “Hold workshop on pro-poor agricultural technology choices, coalition of the rural poor, and strategic thrusts.”⁶⁰⁵ At the same meeting,

⁶⁰² South Korea Sends Food Aid to North, New York Times (New York) 25 October 2010. Date of Access: 25 October 2010. www.nytimes.com/2010/10/26/world/asia/26korea.html?_r=1

⁶⁰³ L’Aquila Joint Statement on Global Food Security, G8 Information Centre (Toronto) 10 July 2009. Date of Access: 25 October 2010. www.g8.utoronto.ca/summit/2009laquila/

⁶⁰⁴ APEC Ministers agree to boost food production, facilitate farm trade, The Mainichi Daily News (Niigata) 17 October 2010. Date of Access: 25 October 2010. mdn.mainichi.jp/mdnnews/news/20101017p2a00m0na012000c.html

⁶⁰⁵ APEC Action Plan on Food Security, Ministry of Foreign Affairs Japan (Tokyo) 17 October 2010. Date of Access: 25 October 2010. www.mofa.go.jp/policy/economy/apec/ap_fs_1010.pdf

APEC member states further agreed to cooperate in the promotion of responsible agricultural investment, the prevention of fluctuating food prices and the improvement of agricultural trade.⁶⁰⁶ Members also reiterated agreement to refrain from introducing trade and export restrictions and investment barriers until 2011. The AFSI recognized that “open trade flows and efficient markets have a positive role in strengthening food security.”⁶⁰⁷

In a speech at the 30th FAO Regional Conference for Asia and the Pacific in Gyeongju on 30 September 2010, South Korean Prime Minister Lee Myung-bak reiterated South Korea’s commitment to alleviating food security. He pledged to increase support and investment in the world’s agriculture sector to enhance food security and to increase investment in green technologies to better secure future food supply.⁶⁰⁸ The AFSI acknowledged that a comprehensive approach to food security had to be “coupled with adaptation and mitigation measures in relation to climate change, [and] sustainable management of water, land, soil and other natural resources.”⁶⁰⁹ On 13 October 2010, President Lee Myung-bak announced that USD36 billion would be invested into developing renewable energy sources over the next five years.⁶¹⁰

Thus, Korea has been awarded a 0 for its implementation and application of the L’Aquila Food Security Initiative principles. It has made monetary contributions to several states to enhance food security and has strengthened strategic co-ordination for food security solutions through active participation in multilateral institutions. However, Korea must develop a more comprehensive approach to alleviate food insecurity to be fully in compliance.

Analyst: Jessica Soedirgo

Mexico: 0

Mexico has partially complied with its commitment to the full implementation and application of the L’Aquila Food Security Initiative and its principles. Mexico has used a comprehensive approach and strengthened strategic coordination in its approach to food security; however, it still needs to provide funding to multilateral institutions and NGOs to enhance food security globally in order to fully comply with its pledge.

Mexico attended the Produce Marketing Association (PMA) Fresh Summit Expo in Orlando, Florida from 15 October to 18 October 2010. During the Expo, Mexican

⁶⁰⁶ APEC Ministers agree to boost food production, facilitate farm trade, The Mainichi Daily News (Niigata) 17 October 2010. Date of Access: 25 October 2010. mdn.mainichi.jp/mdnnews/news/20101017p2a00m0na012000c.html

⁶⁰⁷ L’Aquila Joint Statement on Global Food Security, G8 Information Centre (Toronto) 10 July 2009. Date of Access: 19 October 2010. www.g8.utoronto.ca/summit/2009laquila/

⁶⁰⁸ President Lee Vows to Step Up Efforts to Enhance Food Security, Arirang (Seoul) 30 September 2010. Date of Access: 25 October 2010. www.arirang.co.kr/News/News_View.asp?nseq=107466&code=Ne2&category=2

⁶⁰⁹ L’Aquila Joint Statement on Global Food Security, G8 Information Centre (Toronto) 10 July 2009. Date of Access: 25 October 2010. www.g8.utoronto.ca/summit/2009laquila/

⁶¹⁰ Korea to invest \$36 billion for clean energy, The Korea Times (Seoul) 13 October 2010. Date of Access: 25 October 2010. www.koreatimes.co.kr/www/news/nation/2010/10/113_74496.html

Secretary of Agriculture, Mariano Ruiz-Funes Macedo, mentioned Mexico's 11.5 per cent increase in agricultural exports from January 2010 to August 2010 and reiterated Mexico's ambition to diversify its exports with the announcement that "several institutions are working collaboratively to conserve, maintain and strengthen the health and safety of agricultural and fishery products. This is one of the main assets of Mexican products."⁶¹¹ The PMA is one of the largest fairs in the world and in October 2010, Mexico was recognized as a lead supplier of fruits and vegetables in the U.S.⁶¹²

On 20 October 2010, the UN Food and Agriculture Organization (UNFAO) praised Mexico for its exemplary policies to combat food poverty. Improvements include: efficiency of small farmers and government support programs such as the Strategic Project for Food Security (SPFS) that supports more than 110,000 rural families. The focus of this program is on "capacity development based on new rural extension work, with roles and profiles focusing on social and human aspects, to trigger a positive change in relations between individuals, groups and institutions involved in economic and social development of the country."⁶¹³

On 21 October 2010, the Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) in conjunction with the Trust Fund for Shared Risk (FIRCO) announced the investment of MXN217 million in 2010 to continue funding the "Paisano Invest in Your Land" projects in Mexico that support migrant workers through their families, agribusiness, rural tourism, protected agriculture, bio-digesters and organic products.⁶¹⁴

Mexico celebrated its 15th anniversary of its National Rural Development Network (RENDRUS) on 22 October 2010 by announcing the success of 95 per cent of its projects and pledging continued investment. The scope of the projects is to create employment and wealth for rural families and to help increase food production as well as a means to facilitate the sharing of information amongst farmers.⁶¹⁵

Mexico was recognized as the leading Latin American country in organizing national agricultural statistics by the UNFAO on 23 October 2010. Director of Coordination and Information Service Agency Food and Fisheries (SIAP) of the SAGARPA Ulises Miramontes Piña, stated that a "National Statistical and Geographic Information

⁶¹¹ Mexico increased 11.5 per cent Agri-Food Exports, SAGARPA (Mexico City) 19 October 2010. Date of Access: 22 October 2010. www.sagarpa.gob.mx/saladeprensa/boletines2/Paginas/2010B461.aspx

⁶¹² Mexico increased 11.5 per cent Agri-Food Exports, SAGARPA (Mexico City) 19 October 2010. Date of Access: 22 October 2010. www.sagarpa.gob.mx/saladeprensa/boletines2/Paginas/2010B461.aspx

⁶¹³ FAO: Mexico, an example to follow in combat food poverty, SAGARPA (Mexico City) 20 October 2010. Date of Access: 22 October 2010.

www.sagarpa.gob.mx/saladeprensa/boletines2/Paginas/2010B465.aspx

⁶¹⁴ Migrants invest in communities with support from SAGARPA, SAGARPA (Hidalgo) 21 October 2010. Date of Access: 22 October 2010. www.sagarpa.gob.mx/saladeprensa/boletines2/Paginas/2010B467.aspx

⁶¹⁵ High survival rate reported project of the National Network for Sustainable Rural Development, SAGARPA (Ensenada) 22 October 2010. Date of Access: 22 October 2010.

www.sagarpa.gob.mx/saladeprensa/boletines2/Paginas/2010B470.aspx

(SNIEG), is a tool that provides the backbone for integrating reliable, timely and systematic data and information in our country.”⁶¹⁶

Thus, Mexico has partially complied with its commitment to food security by using a comprehensive approach, investing in country-led plans and by strengthening strategic co-ordination internally. Mexico has yet to leverage the benefits of multilateral institutions and to deliver on sustained and accountable commitments. Thus, it has been awarded a score of 0.

Analyst: Irene Noemy Magharian

Russia: 0

Russia has partially complied with the commitment on food security.

On 5 August 2010, the Russian Government established from 15 August 2010 to 31 December 2010 a temporary ban on the export of wheat, meslin, barley, rye, maize and wheat and wheat-and-rye flour from Russia.⁶¹⁷ On 20 October 2010, the ban for aforementioned goods except flour was prolonged to 30 June 2011.⁶¹⁸ According to Government officials this policy is aimed at balancing the interests of domestic grain producers and processors and animal farmers, and at stabilising the market.⁶¹⁹ According to the Government resolution No. 654 of 30 August 2010 the ban doesn't apply to goods exported from Russia for humanitarian aid purposes and commitments of the state under Russia's international agreements.⁶²⁰

On 30 July 2010, the Russian Government adopted the Concept of state monitoring of agricultural land and formation of state information resources on agricultural land up to 2020. The concept aims at, inter alia, development of soil fertility preservation and restoration programs.⁶²¹

On 3 September 2010, the Russian Government adopted a strategic plan for the development of hydrometeorology and related fields up to 2030.⁶²² It provides for, inter alia, support for monitoring of climate and weather influence on agriculture, developing

⁶¹⁶ Mexico develops advanced statistical models for the food industry, SAGARPA (Mexico City) 23 October 2010. Date of Access: 23 October 2010.

www.sagarpa.gob.mx/saladeprensa/boletines2/Paginas/2010B471.aspx

⁶¹⁷ Prime Minister Vladimir Putin signs resolution No. 599 of August 5, 2010, On the Introduction of a Temporary Ban on the Export of Some Agricultural Products from the Russian Federation, Government of Russia 5 August 2010. Date of Access: 3 November 2010. government.ru/eng/smi/messages/11634/.

⁶¹⁸ Government resolution No. 853 of 20 October 2010, Government of Russia 20 October 2010. Date of Access: 3 November 2010. government.consultant.ru/page.aspx?8411;1296286

⁶¹⁹ First Deputy Prime Minister Viktor Zubkov chairs a meeting of the interdepartmental group on implementing measures to combat the drought, Government of Russia 6 August 2010. Date of Access: 3 November 2010. government.ru/eng/docs/11663/

⁶²⁰ Government resolution No. 654 of 30 August 2010, Government of Russia 30 August 2010. Date of Access: 3 November 2010. government.consultant.ru/page.aspx?8411;1296286

⁶²¹ Executive Order No. 1292-r of 30 July 2010, Government of Russia 30 July 2010. Date of Access: 3 November 2010. government.ru/gov/results/11605/.

⁶²² Prime Minister Vladimir Putin signs Executive Order No. 1458-r of September 3, 2010, Prime Minister of Russia 14 September 2010. premier.gov.ru/eng/events/messages/12185/.

of agriculture sector adaptation to climate change strategy and minimization of negative influence of dangerous weather events on agriculture.⁶²³

On 7 October 2010, a Joint Program of Action for 2010-2013 was signed by Russia and the Republic of Cyprus. The parties agreed to continue bilateral cooperation in the field of agriculture by developing, inter alia, technology exchange and joint research programs.⁶²⁴

L'Aquila Joint Statement on Global Food Security states that delivering food, cash and vouchers through emergency assistance as well as through nutrition schemes, such as school feeding and other programs, is an imperative goal.⁶²⁵ On 24 September 2010, the Russian Government decided to donate USD2 million to the WFP for food aid to Kyrgyzstan.⁶²⁶

On 30 June 2010, the Russian Government decided to donate USD8 million in 2010-2012 to the World Food Program (WFP) for school meals program implementation in Armenia.⁶²⁷ The goal is to make the program designed by the WFP and the Russian government self sufficient and nationally-owned.⁶²⁸

On 25 October 2010, the Russian Government decided to donate USD1 million to the WFP for food aid to Pakistan.⁶²⁹

During the compliance period Russia has partially implemented the main L'Aquila Food Security Initiative principles, by (3) strengthening strategic co-ordination; (4) leveraging benefits of multilateral institutions; and (5) delivering on sustained and accountable commitments. Thus, it has been awarded a score of 0.

Analyst: Mark Rakhmangulov

Saudi Arabia: 0

Saudi Arabia has partially complied with its commitment to implement the L'Aquila Food Security Initiative.

⁶²³ Strategic plan for the development of hydrometeorology and related fields up to 2030, Government of Russia 3 September 2010. Date of Access: 3 November 2010.

government.ru/media/2010/9/14/34847/file/1458R_pril.doc

⁶²⁴ Joint Program of Action between Russia and the Republic of Cyprus for 2010-2013, President of Russia 27 September 2010. Date of Access: 3 November 2010. kremlin.ru/ref_notes/719.

⁶²⁵ L'Aquila Joint Statement on Global Food Security: L'Aquila Food Security Initiative (AFSI), G8 Information Center 9 July 2008. Date of Access: 3 November 2010.

www.g8.utoronto.ca/summit/2009laquila/2009-food.html.

⁶²⁶ Executive Order No. 1614-r of 24 September 2010, Government of Russia 24 September 2010. government.ru/docs/12374/.

⁶²⁷ Executive Order No. 1086-r of 30 June 2010, Government of Russia 30 June 2010. Date of Access: 3 November 2010. government.consultant.ru/page.aspx?8411;1288628.

⁶²⁸ Russia Provides Model for School Meals In CIS, World Food Programme 18 March 2010. Date of access: 29 April 2010. Date of Access: 3 November 2010. www.wfp.org/stories/russia-provides-model-school-meals-cis.

⁶²⁹ Executive Order No. 1856-r of 25 October 2010, Government of Russia 25 October 2010. government.consultant.ru/page.aspx?8411;1524348.

The Food and Agriculture Organization of the United Nations awarded King Abdullah Bin Abd-al-Aziz Al Saud of Saudi Arabia the FOA's Agricola Medal on 3 September 2010 in recognition of his support for improving world food security as well as for his contribution to agricultural development in Saudi Arabia over the last decade.⁶³⁰ Saudi Arabia witnessed a significant 4.5 per cent growth rate in agricultural output earlier this decade as a result of the King's ongoing commitment to realizing sustainable food security. Saad Al Otaibi FAO's Regional Representative for the Near East said that the number of FAO technical cooperation projects in Saudi Arabia increased during King Abdalla's rule, to USD62 million.⁶³¹ Additionally, as of 22 October 2010, Saudi Arabia has committed USD24 million to the World Food Programme with no uncommitted pledges.⁶³²

On 6 October 2010 the 26th Ministerial Session of the Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC) was held in Istanbul, Turkey. The Istanbul meeting was held to make recommendations towards re-stimulating the implementation mechanism of both its Ten Year Programme of Action and the Plan of Action for strengthening economic and commercial cooperation among OIC member-states. The meeting announced new initiatives regarding agriculture, rural development and food security.⁶³³ Overall, the meeting's objections were to make far-reaching discussions at the meeting represented a precursor to the 5th Ministerial Conference on Agriculture and Food Security, scheduled to be held in Khartoum, Sudan, on 26-28 October 2010.⁶³⁴

Saudi Arabia donated 150 tons of dates on 11 July 2010 to the Jordanian Hashemite Charity Organization (JHCO) in Amman, 1,098 tons on 15 July 2010 to the United Nations World Food Programme⁹, and 150 tons of dates on 24 July 2010 to Yemen's Ministry of Social and Labor Affairs to be distributed to the country's vulnerable groups. Saudi Ambassador to Mauritania donated 200 tons of dates presented as a gift from the Custodian of the Two Holy Mosques King Abdullah bin Abdulaziz to Mauritanian Food Security Commission officials in Nouakchott on 27 July 2010. A contribution by the Crown Prince Sultan bin Abdulaziz of 15 tons of dates was given to Palestinian refugees on 3 August 2010. Represented by the country's Commission of Muslim Affairs, Saudi Arabia's Ambassador to the Philippines donated 100 tons of dates on 6 August 2010 to

⁶³⁰ GIEWS Global Watch Country Briefs: Saudi Arabia, 13 October 2010. Date of Access: 21 October 2010. www.fao.org/giews/countrybrief/country.jsp?code=SAU.

⁶³¹ King Abdullah of Saudi Arabia awarded FAO's Agricola Medal, Food and Agriculture Organization of the United Nations (Cairo/Rome) 3 September 2010. Date of Access: 21 October 2010. www.fao.org/news/story/en/item/45133/icode/.

⁶³² Donor Profile: Saudi Arabia in 2010 Funding per Appealing Agency as of 22 October 2010, OCHA, 22 October 2010. Date of Access: 21 October 2010. fts.unocha.org/reports/daily/ocha_Rdonor10_DC185_Y2010__1010211551.pdf.

⁶³³ Agriculture and Food Security Receive Prominent Attention of OIC Ministers at 26th Session of the COMCEC, Organisation of The Islamic Conference, International Islamic News Agency (Istanbul) 4 October 2010. Date of Access: 21 October 2010. www.iina.me/english/news.php?go=fullnews&newsid=823

⁶³⁴ Minister Makes Big Impact at Food Security Meeting in Turkey, Sierra Express Media (Saudi Arabia) 7 October 2010. Date of Access: 21 October 2010. www.sierraexpressmedia.com/archives/14632.

the Philippines.⁶³⁵ Saudi Arabia's Campaign of the Custodian of the Two Holy Mosques King Abdullah bin Abdulaziz for the Relief of the Pakistani People has contributed 24 truckloads with food materials including flour, rice, beans, lentils, milk and cooking oil on 1 September 2010, 105 tons of milk and dates on 3 September 2010, 6,000 food baskets on 10 October 2010, over 150 tons of dates and 700 tons of foodstuff on 5 August 2010, and 80 trucks carrying 700 tons of foodstuff on 30 August 2010 stating that it campaign is planning to send 1,000 trucks of foodstuff over the next three months to Pakistan to help feed 2 million victims. The Crown Prince Sultan bin Abdulaziz gifted 100 tons of dates to Pakistanis on 27 August 2010 and noted that more shipments will follow soon.⁶³⁶

On 9 October 2010 the Deputy Executive Director of the United Nations World Food Programme (WFP) Amir Abdulla thanked H.E. Mr. Abdul Aziz Bin Ibrahim bin Salih Al-Ghadeer, Ambassador at the Royal Embassy of Saudi Arabia, for a USD24 million donation from the Saudi Fund for Development to the people of Pakistan. WFP sources said in Islamabad it used the donation to purchase 36,500 metric tons of food aid to assist families in Khyber Pakhtunkhwa displaced by conflict and affected by the recent floods.⁶³⁷

Thus, Saudi Arabia has been awarded a 0 for its partial implementation and application of the L'Aquila Food Security Initiative principles. It has made crucial short-term contributions of aid to countries in need, leveraged the benefits of multilateral institutions like the UNWFP to improve the food-security of other nations, and engaged in conferences working towards strengthening strategic co-ordination. However, it has yet to invest in country-led plans to enhance food security, and use a comprehensive approach to enhance its own food security that does not potentially obstruct that of other nations.

Analyst: Nada Hamod

South Africa: 0

South Africa has partially complied with its commitment to the full implementation and application of the L'Aquila Food Security Initiative and its principles.

The Southern Africa Regional Food Security Update indicates an expected surplus of 4, 072 million tons of maize at the end of April 2011.⁶³⁸ The expected commercial maize crop, driven to price levels last seen in the 2005/06 marketing year is 13,094 MT, which is 10.51 per cent more than 12,050 MT of the previous season.⁶³⁹ The report illustrates

⁶³⁵ Public Affairs: Foreign Aid, Royal Embassy of Saudi Arabia (Washington, DC) 11 July 2010 – 27

August 2010, Date of Access: 21 October 2010. www.saudiembassy.net/affairs/recent-news/foreign-aid/

⁶³⁶ Public Affairs: Foreign Aid, Royal Embassy of Saudi Arabia (Washington, DC) 11 July 2010 – 27

August 2010, Date of Access: 21 October 2010. www.saudiembassy.net/affairs/recent-news/foreign-aid/

⁶³⁷ WFP thanks Saudi Arabia for \$24 m, One Pakistan News (Quetta) 9 October 2010. Date of Access: 21 October 2010. www.onepakistan.com/news/local/quetta/67324-wfp-thanks-saudi-arabia-for-24-m.html

⁶³⁸ Southern Africa Regional Food Security Update, August 2010. Date of Access: 15 October 2010.

[www.reliefweb.int/rw/RWFiles2010.nsf/FilesByRWDocUnidFilename/VVOS-88NL3X-full_report.pdf/\\$File/full_report.pdf](http://www.reliefweb.int/rw/RWFiles2010.nsf/FilesByRWDocUnidFilename/VVOS-88NL3X-full_report.pdf/$File/full_report.pdf)

⁶³⁹ Southern Africa Regional Food Security Update, August 2010. Date of Access: 15 October 2010.

that the supply/demand curve exhibits a surplus of over 4 million MT, which can be made available for export.⁶⁴⁰ The report maintains that although South Africa's food inflation is higher than that of most developed countries, its steady decline over since January 2009 has been consistent.⁶⁴¹

South Africa has leveraged benefits from multilateral institutions establishing partnerships with agriculture and health institutions such as FAO, ARC, UNICEF and other stakeholders to improve extant food security initiatives.⁶⁴² This includes the Comprehensive Rural Development Programme, community seed production schemes and numerous nutrition interventions like the national Vitamin A campaign.⁶⁴³

Thus, South Africa has been awarded a score of 0.

Analyst: Natasha Britto

Turkey: -1

Turkey has partially complied with its commitment to implement the L'Aquila Food Security Initiative. Through public-private initiatives to invest in agricultural production, it has continued to support the agriculture sector. Turkey has reiterated its commitment to agricultural cooperation with international partners.

On 3 September 2010, "Agricultural Mobilization," a joint project between Denizbank and the Agricultural Ministry, was announced. The project aimed to support agricultural production in Turkey will create additional incentives and new facilities for farmers. The Agriculture and Rural Affairs Minister Mehdi Eker emphasized that; "this project will make very important contributions to the sector."⁶⁴⁴

On 8 October 2010, The President of Turkey Abdullah Gül, in his address at the twenty-sixth Standing Committee for Economic and Commercial Cooperation of the Organization of the Islamic Conference (COMCEC), emphasized the need for greater cooperation among Islamic countries to deal with global challenges. In effort to meet these challenges, Gül noted the importance of multilateral relations and international organizations, which he said, "will contribute to the development of these countries." Gül

[www.reliefweb.int/rw/RWFiles2010.nsf/FilesByRWDocUnidFilename/VVOS-88NL3X-full_report.pdf/\\$File/full_report.pdf](http://www.reliefweb.int/rw/RWFiles2010.nsf/FilesByRWDocUnidFilename/VVOS-88NL3X-full_report.pdf/$File/full_report.pdf)

⁶⁴⁰ Southern Africa Regional Food Security Update, August 2010. Date of Access: 15 October 2010.

[www.reliefweb.int/rw/RWFiles2010.nsf/FilesByRWDocUnidFilename/VVOS-88NL3X-full_report.pdf/\\$File/full_report.pdf](http://www.reliefweb.int/rw/RWFiles2010.nsf/FilesByRWDocUnidFilename/VVOS-88NL3X-full_report.pdf/$File/full_report.pdf)

⁶⁴¹ Southern Africa Regional Food Security Update, August 2010. Date of Access: 15 October 2010.

[www.reliefweb.int/rw/RWFiles2010.nsf/FilesByRWDocUnidFilename/VVOS-88NL3X-full_report.pdf/\\$File/full_report.pdf](http://www.reliefweb.int/rw/RWFiles2010.nsf/FilesByRWDocUnidFilename/VVOS-88NL3X-full_report.pdf/$File/full_report.pdf)

⁶⁴² Southern Africa Regional Food Security Update, August 2010. Date of Access: 15 October 2010.

[www.reliefweb.int/rw/RWFiles2010.nsf/FilesByRWDocUnidFilename/VVOS-88NL3X-full_report.pdf/\\$File/full_report.pdf](http://www.reliefweb.int/rw/RWFiles2010.nsf/FilesByRWDocUnidFilename/VVOS-88NL3X-full_report.pdf/$File/full_report.pdf)

⁶⁴³ Southern Africa Regional Food Security Update, August 2010. Date of Access: 15 October 2010.

[www.reliefweb.int/rw/RWFiles2010.nsf/FilesByRWDocUnidFilename/VVOS-88NL3X-full_report.pdf/\\$File/full_report.pdf](http://www.reliefweb.int/rw/RWFiles2010.nsf/FilesByRWDocUnidFilename/VVOS-88NL3X-full_report.pdf/$File/full_report.pdf)

⁶⁴⁴ Loan aid for agriculture, Hurriyet Daily News (Ankara) 3 September 2010. Date of Access: 24 October 2010. www.hurriyet.com.tr/english/finance/11644302.asp?scr=1

emphasized the problem of food security among Islamic countries, which he said, “urge mankind to take drastic structural measures.”⁶⁴⁵

On 14 September 2010, Turkey’s Agriculture Minister and Rural Affairs Mehdi Eker met with Canadian Agriculture Minister Gerry Ritz and signed a memorandum of understanding on Turkey-Canada agricultural cooperation.⁶⁴⁶

On 15 October, Turkey’s Agriculture and Rural Affairs Minister Mehdi Eker, at a celebration event in Istanbul marking the Food Day, delivered a speech, which emphasized the global problem of food security. Eker said that Turkey has “a responsibility to solve global issues,” and has continued to fulfill that responsibility. He reiterated the contribution, which Turkey has extended over the past four years of nearly USD 720 million in international development aid.⁶⁴⁷

Analyst: Nadia Bucciarelli

United Kingdom: 0

The United Kingdom has partially complied with its commitment to the full implementation and application of the L’Aquila Food Security Initiative and its principles. The UK has acted to alleviate food crises in developing countries, and has outlined clear commitments and goals in its food and agricultural security initiatives.

On 15 October 2010, Development Secretary Andrew Mitchell announced that as part of the GBP70 million committed by the UK for flood relief in Pakistan, “British aid will ensure that more than 115,000 families in Pakistan affected by the floods will escape having to depend on food aid for another year or more.” As such, the UK will provide crop packages of wheat and vegetable seeds, feed, and “basic veterinary medicines” to families and livestock owners in Pakistan in order to combat the extreme shortages of crops and animals in flood-hit areas.⁶⁴⁸

On 12 September 2010, Secretary Mitchell announced, “Hundreds of thousands of people in Niger and Chad will benefit from specific support to prevent the threat of imminent starvation.” In turn, the UK committed to feeding 325,000 people in the region in August, in addition to the “support the UK is already providing which will treat 77,500 children for malnutrition and provide seeds for thousands of families to grow their crops.” In order

⁶⁴⁵ Gül urges Muslim countries to address structural problems, Today’s Zaman (Istanbul) 8 October 2010. Date of Access: 24 October 2010. www.todayszaman.com/tz-web/news-223811-gul-urges-muslim-countries-to-address-structural-problems.html

⁶⁴⁶ Turkish Agricultural Minister: Turkey and Canada can cooperate in agriculture, Turkish Weekly. 14 September 2010. Date of Access: 24 October 2010. www.turkishweekly.net/news/107363/turkish-agricultural-minister-turkey-canada-can-cooperate-in-agriculture.html

⁶⁴⁷ Turkish Agricultural Minister Attends Celebration Event Marking Food Day, FAO’s Anniversary, The Journal of the Turkish Weekly. 15 October 2010. Date of Access: 24 October 2010. www.turkishweekly.net/news/108614/turkish-agricultural-minister-attends-celebration-event-marking-food-day-fao-anniversary.html

⁶⁴⁸ British aid helps to end food aid dependency for 115,000 families in Pakistan, Department for International Development (London) 15 October 2010. Date of Access: 19 October 2010. www.dfid.gov.uk/Media-Room/Press-releases/2010/British-aid-helps-to-end-food-aid-dependency-for-115000-families-in-Pakistan-/.

to fund this initiative, as well as other development projects in Niger and Chad, the Department for International Development committed an additional GBP4.5 million for British efforts. Moreover, Secretary Mitchell called on other world leaders to join the UK in addressing “the longer-term issues of food security in the region.”⁶⁴⁹

On 21 October 2010, Secretary Mitchell reiterated the UK’s “commitment to improving the health of women and children” in developing countries. Consequently, the UK committed GBP6 million over five years for a “new research programme aimed at tackling chronic malnutrition” which is to start in 2011.⁶⁵⁰

On 11 October 2010, UK Secretary of State for Environment, Food and Rural Affairs Caroline Spelman and German Federal Minister of Agriculture Isle Aigner met to discuss reform of the Common Agricultural Policy (CAP) after 2013. Both sides agreed to work closely with other European countries to allow farmers to “compete on the international stage, but in a way that also protects and enhances the natural environment.”⁶⁵¹

Thus, the United Kingdom has been awarded a score of 0 for partial compliance on its commitment to implement the principles of the Food Security Initiative made at the L’Aquila Summit.

Analyst: Samir Siddiqui

United States: +1

The United States has fully complied with its commitment to the full implementation and application of the L’Aquila Food Security Initiative and its principles. The United States has made several monetary commitments to alleviating the food security crisis in several countries.

On 8 October 2010 the United States pledged USD25 million to the Global Agriculture and Food Security Program, which was designed to help implement the principles of the L’Aquila Food Security Initiative.⁶⁵² U.S. Treasury Secretary Timothy Geithner said, “An increase in these investments will help transform small farmers into successful entrepreneurs.”⁶⁵³ He also stated, “In poor countries, smallholder farmers, especially

⁶⁴⁹ Mitchell – new UK humanitarian support for Niger and Chad: ‘other countries must act too,’ Department for International Development (London) 12 July 2010. Date of Access: 19 October 2010. www.dfid.gov.uk/Media-Room/Press-releases/2010/Mitchell--new-UK-humanitarian-support-for-Niger-and-Chad-other-countries-must-act-too/.

⁶⁵⁰ UK launches new research programme to tackle malnutrition, Department for International Development (London) 21 September 2010. Date of Access: 19 October 2010. www.dfid.gov.uk/Media-Room/Press-releases/2010/UK-launches-new-research-programme-to-tackle-malnutrition/.

⁶⁵¹ UK and German agricultural ministers discuss reform, Department for Environment, Food and Rural Affairs (London), 11 October 2010. Date of Access: 19 October 2010. ww2.defra.gov.uk/news/2010/10/11/uk-and-german-agricultural-ministers-discuss-reform/.

⁶⁵² US, Canada, World Bank to aid program that strengthens food security, helps small farmers, Associated Press (Washington) 8 October 2010. Date of Access: 20 October 2010. www.google.com/hostednews/canadianpress/article/ALeqM5g8oO4m5HGSzgMxSROKPy_OYj1sQA?docId=4782160

⁶⁵³ US, Canada, World Bank to aid program that strengthens food security, helps small farmers, Associated Press (Washington DC) 8 October 2010. Date of Access: 20 October 2010.

women, are the backbone of the agriculture sector. If they can have better access to new technologies, seeds and soil, they can grow more crops. If they can get credit and forge stronger links with markets, they can earn more. As President Obama's new development policy recognizes, private sector led solutions are critical to achieving these goals... This facility will increase private sector investments to help transform small farmers into successful entrepreneurs.”⁶⁵⁴

On 8 October 2010, the United States Agency for International Development's (USAID) Office of Food and Peace (FFFP) partnered with Catholic Relief Services (CRS) to implement the Promoting Recovery in Zimbabwe (PRIZE) program.⁶⁵⁵ The initiative is a two-year program that will address the food needs of the Zimbabwean population while laying out the foundation for recovery and improved food security. Over the next two years, USAID will partner with CRS to provide 24,400 metric tons of food to vulnerable households in Zimbabwe. Further the program will, assist vulnerable homes through community-based programs to improve long term food security. Projects will include: “supporting small- and large-scale irrigation projects; rehabilitating livestock assets such as cattle dip tanks; promoting conservation agriculture; improving livestock practices; and training village savings and lending groups to manage income generation activities.”⁶⁵⁶

On 13 October 2010, Agriculture Secretary Tom Vilsack participated in the World Food Prize, one of the world's foremost international dialogues on food security in Des Moines, Iowa. On 14 October 2010, Secretary Vilsack invited Pakistani Agriculture Minister Mazar Muammad Gondal and Afghan Agriculture Minister Mohammad Asif Rahimi to be his guests in Des Moines where the three ministers discussed their “shared vision for building vibrant agricultural economies in Afghanistan and Pakistan.” Further, Secretary Vilsack said of the event, “This is a valuable opportunity for specific, open and forthright discussions on the immediate and future food needs of Afghans and Pakistanis—efforts that will not only improve stability in Afghanistan, Pakistan and the entire region, but also strengthen security here in the United States.”⁶⁵⁷

www.google.com/hostednews/canadianpress/article/ALeqM5g8oO4m5HGSzgMxSROKPy_OYj1sQA?docId=4782160

⁶⁵⁴ IFC, Canada, U.S Establish \$100 million Private Sector Facility to Strengthen Food Security. The Financial (Washington DC) 9 October 2010. Date of Access: 24 October 2010.

[finchannel.com/Main_News/Business/72740_IFC,_Canada,_U.S._Establish_\\$100_million_Private_Sector_Facility_to_Strengthen_Food_Security/](http://finchannel.com/Main_News/Business/72740_IFC,_Canada,_U.S._Establish_$100_million_Private_Sector_Facility_to_Strengthen_Food_Security/)

⁶⁵⁵ United States Provides Support to Urgent Food Security Needs and Recovery in Zimbabwe , The Zimbabwean (Harare) 6 October 2010. Date of Access: 15 October 2010.

www.thezimbabwean.co.uk/index.php?option=com_content&view=article&id=34685:united-states-provides-support-to-urgent-food-security-needs-and-recovery-in-zimbabwe&catid=40&Itemid=30

⁶⁵⁶ United States Provides Support to Urgent Food Security Needs and Recovery in Zimbabwe , The Zimbabwean (Harare) 6 October 2010. Date of Access: 15 October 2010.

www.thezimbabwean.co.uk/index.php?option=com_content&view=article&id=34685:united-states-provides-support-to-urgent-food-security-needs-and-recovery-in-zimbabwe&catid=40&Itemid=30

⁶⁵⁷ Agriculture Secretary Vilsack Visits Des Moines for World Food Prize and Trilateral Meetings with Afghan and Pakistani Ministers of Agriculture (Washington DC) 13 October 2010. Date of Access: 18 October 2010.

www.usda.gov/wps/portal/usda/usdahome?contentidonly=true&contentid=2010/10/0518.xml

To date, the United States has allocated USD812 million to investments in national agriculture and food security plans and in agriculture research and development.⁶⁵⁸ During the 2010 Pittsburgh G20 Summit, the US pledged USD475 million to “develop a multilateral trust fund to scale-up agricultural assistance to low-income countries.”⁶⁵⁹ Since the Pittsburgh Summit, the United States deposited USD67 million in the trust fund.⁶⁶⁰

Thus, the United States has been awarded a score of +1 for fully complying with its commitment to implement the L’Aquila Food Security Initiative. The United States has worked with the G20, the World Bank and other multilateral organizations to enhance food security.

Analyst: Semra Eylul Sevi

European Union: +1

The European Union has fully complied with its commitment to the full implementation and application of the L’Aquila Food Security Initiative and its principles. It has made numerous monetary commitments to countries experiencing food security crises, has worked with multilateral institutions, such as the UNFAO, invested in country led initiatives, strengthened strategic coordination, and employed comprehensive approaches.

In response to the food security crisis in the Sahel and Sudan, the EU Commissioner for International Cooperation, Humanitarian Aid and Crisis Response proposed on 3 August 2010 that EUR40 million be given to aid the ongoing humanitarian relief program in place under the European Commission. This will alleviate conditions in the drought belt by providing food assistance to over 500,000 people.⁶⁶¹ Complementary to this effort, on 10 August 2010 the EU Commission released EUR14.9 million for food security in Niger, which is the country most affected by the crisis. This will bring the total amount of aid disbursed to the region in 2010 to EUR54 million, EUR25 million of which is for Niger. In addition to providing emergency relief, the EU looks to support good governance, access to sanitation, development of infrastructure, and other measures that will help aid the population, taking a comprehensive approach to improving conditions in Niger.⁶⁶²

⁶⁵⁸ The G-8 Muskoka Summit: Following Through On Food Security, Office of the Press Secretary (Washington DC) 26 June 2010. Date of Access: 20 October 2010.

www.whitehouse.gov/sites/default/files/rss_viewer/g8_muskoka_food_security_fact_sheet.pdf

⁶⁵⁹ The G-8 Muskoka Summit: Following Through On Food Security, Office of the Press Secretary (Washington DC) 26 June 2010. Date of Access: 20 October 2010.

www.whitehouse.gov/sites/default/files/rss_viewer/g8_muskoka_food_security_fact_sheet.pdf

⁶⁶⁰ The G-8 Muskoka Summit: Following Through On Food Security, Office of the Press Secretary (Washington DC) 26 June 2010. Date of Access: 20 October 2010.

www.whitehouse.gov/sites/default/files/rss_viewer/g8_muskoka_food_security_fact_sheet.pdf

⁶⁶¹ EU Commission Requests Further Humanitarian Funding to Respond to Worsening Food Crisis in the Sahel and Sudan, European Union at the United Nations (Brussels) 3 August 2010. Date of Access: 22 October 2010. www.europa-eu-un.org/articles/en/article_10003_en.htm

⁶⁶² Republic of Niger: EU Commission Releases EUR14.9 Million for Food Security, European Union and the United Nations (Brussels) 10 August 2010. Date of Access: 22 October 2010. www.europa-eu-un.org/articles/en/article_10016_en.htm

On 26 August 2010 it was announced that the FAO — EU partnership will back a Liberian project to rehabilitate the fertile lowlands of the country. This project will produce higher rice yields, and prevent soil erosion and deforestation. Aid from the FAO — EU partnership will aim to “cut the nation’s dependence on rice imports and improve the livelihood of vulnerable farmer families.”⁶⁶⁸

Thus, the EU has been awarded +1 for its implementation and applications of the principles of the L’Aquila Food Security Initiative. It has made both short-term contributions to countries in crises, and initiated long-term efforts to eradicate the food security crises by working with governments, NGOs, and multilateral institutions, strengthening strategic coordination and using comprehensive approaches.

Analyst: Emily Evangelista

⁶⁶⁸ Lowland Farming Yields Multiple Benefits in Liberia, Food and Agriculture Organization of the United Nations (Monrovia/Rome) 26 August 2010. Date of Access: 21 October 2010.
www.fao.org/europeanunion/un-news/news-stories-eu/detail-news/en/?no_cache=1&dyna_fef%5Bbackuri%5D=%2FEuropeanunion%2Fun-news%2Fnews-stories-eu%2Fnewsarchive-eu%2Fen%2F%3Fdyna_fef%5Buid%5D=46468%26nocache=1&dyna_fef%5Buid%5D=44984

8. Trade [44]

Commitment

“We renew for a further three years, until the end of 2013, our commitment to refrain from raising barriers or imposing new barriers to investment or trade in goods and services, imposing new export restrictions or implementing World Trade Organization (WTO)- inconsistent measures to stimulate exports.”

G20 Toronto Summit Declaration

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina	-1		
Australia			+1
Brazil	-1		
Canada			+1
China			+1
France			+1
Germany			+1
India	-1		
Indonesia		0	
Italy			+1
Japan			+1
Korea			+1
Mexico	-1		
Russia	-1		
South Africa	-1		
Saudi Arabia			+1
Turkey	-1		
United Kingdom			+1
United States	-1		
European Union			+1
Average Score			+0.15

Background

Acknowledging both the temptation and risk posed by protectionism in times of economic crisis, the leaders at the Washington G20 Summit in November 2008 pledged to “refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing WTO inconsistent measure to stimulate trade”⁶⁶⁹ within the coming year.

Meeting in London in April 2009, G20 finance ministers recognized that “Reinvigorating world trade and investment is essential for restoring global growth.” To that end, G20

⁶⁶⁹ Declaration: Summit on Financial Markets and the World Economy, G20 Summit (Washington) 15 November 2008. Date of Access: 1 November 2009. www.g20.org/Documents/g20_summit_declaration.pdf

leaders "...[reaffirmed] the commitment made in Washington: to refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing World Trade Organization (WTO) inconsistent measures to stimulate exports."⁶⁷⁰ At the Toronto Summit, the G20 agreed once more to avoid protectionist measures.

G8 and G20 members have made significant progress in reducing barriers to global trade in goods and services as well as other trade-distorting mechanisms through the WTO. However, leaders have historically tended to resort to protectionism in times of economic uncertainty.⁶⁷¹ Commitments both at the Washington G20 Summit and the London G20 Finance Ministerial were made with this in mind.

Commitment Features

This commitment is a prohibition against policies enacted after Toronto Summit that contain any of three distinct forms of protectionism. First, G20 members have committed to refrain from imposing new barriers to investment or trade in goods and services. The WTO defines "Tariffs, non-tariff measures, subsidies and burdensome administrative procedures regarding imports"⁶⁷² as barriers that limit global flows of goods and services.

Second, G20 members have committed to refrain from imposing new export restrictions. Export restrictions are voluntary or imposed restrictions on a country's exports, which are often intended to prevent goods being exported in the face of a domestic shortage or in order to manipulate current-account balances.

Third, G8 members have committed to refrain from implementing WTO-inconsistent measures to stimulate exports. The WTO Agreement on Subsidies and Countervailing Measures outlines five broad measures that unfairly stimulate exports: (1) Domestic subsidies that require recipients to meet certain export targets; (2) Subsidies that require recipients to use domestic goods instead of imported goods; (3) Domestic subsidies that hurt an industry in an importing country; (4) Domestic subsidies in one country that hurt exporters trying to compete in the subsidizing country's domestic market; (5) Domestic subsidies that hurt rival exporters from another country when the two compete in third markets.⁶⁷³

⁶⁷⁰ "The Global Plan for Recovery and Reform," G20 Summit (London) 2 April 2009. Date of Access: 2 November 2009. www.g20.org/Documents/final-communique.pdf

⁶⁷¹ G20 governments refrain from extensive use of restrictive measures, but some slippage evident, World Trade Organization (Geneva) 14 September 2009. Date of Access: 1 November 2009. www.wto.org/english/news_e/news09_e/trdev_14sep09_e.htm

⁶⁷² G20 governments refrain from extensive use of restrictive measures, but some slippage evident, World Trade Organization (Geneva) 14 September 2009. Date of Access: 1 November 2009. www.wto.org/english/news_e/news09_e/trdev_14sep09_e.htm

⁶⁷³ Understanding the WTO - Anti-dumping, subsidies, safeguards: contingencies, etc (Geneva) 1 January 2005. Date of Access: 1 November 2009. www.wto.org/english/thewto_e/whatis_e/tif_e/agrm8_e.htm#subsidies .

Scoring Guidelines

-1	G20 member takes two distinguishable actions in the following categories: (1) raises new barriers to investment or trade as defined by the WTO; (2) imposes new export restrictions as defined by the WTO, OR (3) violates the WTO Agreement on Subsidies and Countervailing Measures as deemed by the WTO Disputes Settlement Body.
0	G20 member takes ONE action in the following category: (1) raises new barriers to investment or trade as defined by the WTO; (2) imposes new export restrictions as defined by the WTO, OR (3) violates the WTO Agreement on Subsidies and Countervailing Measures as deemed by the WTO Disputes Settlement Body.
+1	G20 member state does NOT (1) raise any new barriers to investment or trade as defined by the WTO, (2) impose new export restrictions as defined by the WTO, AND (3) is not deemed to be in violation of the WTO Agreement on Subsidies and Countervailing Measures as deemed by the WTO Disputes Settlement Body.

Argentina: -1

Argentina has failed to comply with its commitment to refrain from raising or imposing new barriers to investment or trade in goods and services, imposing new export restrictions, or implementing WTO inconsistent measures to stimulate exports.

On 22 July 2010, the Argentine Ministry of Industry imposed a minimum value of USD17.60 per kilogram on imports of certain textiles from China.⁶⁷⁴ These minimum standards were imposed following an investigation carried out by the Ministry into export of certain taffeta ligament weft and warp fabrics from Brazil and China. The investigation on Brazil was closed with no duties or restrictions.⁶⁷⁵ The restrictions on Chinese imports will remain in effect for five years.

On 22 July 2010, the Ministry of Industry imposed anti-dumping duties on food processors from Brazil and China of twenty-four (24) per cent and two hundred two and seventy-nine one hundredths (202.79) per cent respectively.⁶⁷⁶ These duties were imposed following an investigation carried out by the ministry. The duties will remain in effect in effect for five years.⁶⁷⁷

⁶⁷⁴ Procédese al cierre de la investigación que se llevara a cabo sobre operaciones con determinadas mercaderías originarias de la República Popular China. Ministry of Industry. Foreign Trade Resolution 9/2010. Date of Access: October 17, 2010. www.infoleg.gov.ar/infolegInternet/anexos/165000-169999/169624/norma.htm

⁶⁷⁵ Argentina: AD on imports of polyester fabrics from China, Global Trade Alert (London). 23 July 2010. Date of Access 17 October 2010. www.globaltradealert.org/measure/argentina-ad-imports-polyester-fabrics-china

⁶⁷⁶ Procédese al cierre de la investigación que se llevara a cabo sobre operaciones con determinadas mercaderías originarias de la República Federativa del Brasil y de la República Popular China. Ministry of Industry. Foreign Trade Resolution 8/2010. Date of Access: October 17, 2010. www.infoleg.gov.ar/infolegInternet/anexos/165000-169999/169625/norma.htm

⁶⁷⁷ Procédese al cierre de la investigación que se llevara a cabo sobre operaciones con determinadas mercaderías originarias de la República Federativa del Brasil y de la República Popular China. Ministry of Industry. Foreign Trade Resolution 8/2010. Date of Access: October 17, 2010.

www.infoleg.gov.ar/infolegInternet/anexos/165000-169999/169625/norma.htm

Argentina has imposed at least two new barriers to trade and has therefore been awarded a score of -1.

Analyst: Geoffrey Wilde

Australia: +1

No information was found indicating the imposition of new protectionist measures by Australia in this compliance cycle.⁶⁷⁸ Therefore, Australia has fully complied with its commitment to refrain from raising barriers or imposing new barriers to investment or trade in goods and services, impose new export restrictions or implement WTO inconsistent measures to stimulate exports, and has therefore been awarded a score of +1.

Analyst: Geoffrey Wilde

Brazil: -1

Brazil has failed to comply with its commitment to refrain from raising or imposing new barriers to investment or trade in goods and services, imposing new export restrictions, or implementing WTO inconsistent measures to stimulate exports.

On 18 July 2010, the Brazilian Government adopted Medida Provisoria No 495, which imposes new general rules regarding government procurement processes. Among the changes introduced, the law gives preference to locally produced goods or services of up to 25 per cent above the price of externally produced goods or services. ⁶⁷⁹

On 17 August 2010, the Brazilian Government imposed a resolution that restricts the circumvention of existing antidumping and compensatory measures.⁶⁸⁰ The resolution extends the application of existing anti-dumping or compensatory measures to apply where it is deemed that importers are circumventing such existing measures.

Brazil has imposed at least two new barriers to trade and thus has been awarded a score of -1.

Analyst: Geoffrey Wilde

Canada: +1

No information was found indicating the imposition of new protectionist measures by Canada in this compliance cycle. Therefore, Canada has fully complied with its commitment to refrain from raising or imposing new barriers to investment or trade in

⁶⁷⁸ Anti-Dumping and Countervailing Cctions – Status Report at 30 September 2010, Australian Customs Dumping Notice No. 2010/35, Australian Customs and Border Protection Services Agency. 30 September 2010. Date of Access 24 October 2010 www.customs.gov.au/webdata/resources/files/MicrosoftWord-2010-09StatusReport-clean.pdf

⁶⁷⁹ Modification of Brazilian rules for government procurement, Global Trade Alerts (London).24 August 2010. Date of Access: October 24, 2010. www.globaltradealert.org/measure/modification-brazilian-rules-government-procurement

⁶⁸⁰ Brazil: Rules for implementation of anticircumvention policy regarding antidumping and compensatory measures, Global Trade Alerts (London).24 August 2010. Date of Access: October 24, 2010. www.globaltradealert.org/measure/brazil-rules-implementation-anticircumvention-policy-regarding-antidumping-and-compensatory-

goods and services, imposing new export restrictions or implementing WTO inconsistent measures to stimulate exports, and has therefore been awarded a score of +1.

It is worth noting that on 17 September 2010 the Canadian Government made amendments to the Investment Canada Act, granting the Government the right to review and intervene in investments that threaten national security.⁶⁸¹ Although these changes do not constitute a barrier to investment they increase the possibility of government intervention in foreign investment in the future and thus warrant consideration.

Analyst: Geoffrey Wilde

China: +1

China has fully complied with its commitment to refrain from raising or imposing new barriers to investment or trade in goods and services, imposing new export restrictions or implementing WTO inconsistent measures to stimulate exports.

On 28 July 2010, the Chinese Ministry of Commerce issued Public Notice No. 40 [2010], announcing the imposition of anti-dumping duties on certain iron and steel fasteners from the EU, ranging from 6.1 per cent to 26 per cent above the before duty price according to the company of manufacture. The notice followed an investigation and the anti-dumping duties will remain in effect for five years from 29 June 2010.⁶⁸² However, these duties cannot be declared to be in violation of WTO anti-dumping rules until the WTO Disputes Settlement Body panel, established 7 May 2010, reaches a verdict on the measures.⁶⁸³

China has not imposed any new barriers to trade and thus has been awarded a score of +1.

Analyst: Geoffrey Wilde

France: +1

France has fully complied with its commitment to refrain from raising or imposing new barriers to investment or trade in goods and services, imposing new export restrictions or implementing WTO inconsistent measures to stimulate exports.

On 27 September 2010, the European Commission, of which France is a member, implemented Regulation (EU) No 857/2010, which imposes a countervailing duty and collects definitely the provisional duty imposed on imports of certain polyethylene terephthalate originating in Iran, Pakistan and the United Arab Emirates. The duties for Iran, Pakistan, and the UAE are equal to EUR139.70, EUR44.02, and EUR42.34 per

⁶⁸¹ National Security Review of Investments Regulations, Industry Canada (Ottawa). 17 September 2010. Date of Access 24 October 2010. www.gazette.gc.ca/rp-pr/p2/2009/2009-09-30/html/sor-dors271-eng.html

⁶⁸² China: Imposition of Definitive Antidumping Duties on Iron or Steel Fasteners from the EU, Globe Trade Alert (London). 11 July 2010. Date of Access 24 October 2011. www.globaltradealert.org/measure/china-imposition-definitive-antidumping-duties-iron-or-steel-fasteners-eu

Indonesia: Increased import tariffs on medicines, cosmetics and energy efficient lights, Global Trade Alert (London). 1 June 2010. Date of Access 18 October 2010. www.globaltradealert.org/measure/indonesia-increased-import-tariffs-medicines-cosmetics-and-energy-efficient-lights

⁶⁸³ China — Provisional Anti-Dumping Duties on Certain Iron and Steel Fasteners from the European Union, World Trade Organization (Brussels) 7 May 2010. Date of Access 6 November 2010. www.wto.org/english/tratop_e/dispu_e/cases_e/ds407_e.htm

tonne respectively. These duties were imposed following an investigation carried out by the EC following a complaint lodged on 20 July 2009 by the Polyethylene Terephthalate Committee of Plastics Europe.⁶⁸⁴

On 13 September 2010, the European Commission implemented Regulation (EU) No 805/2010, which re-imposes a definitive anti-dumping duty of 18.1 per cent of the price before duty on imports of ironing boards originating in China. These duties were re-imposed following an investigation carried out by the EC following the annulment of Regulation (EC) No 452/2007 by the Court of Justice.⁶⁸⁵

However, the September 2010 News Items for the WTO Dispute Settlement Body indicate that the EU has not yet called on the WTO Dispute Settlements Body to establish a panel to explore either of the above measures.⁶⁸⁶ Until such a panel is called and reaches a definite conclusion, neither measure can be deemed in violation of WTO rules on subsidies and countervailing measures.

France has not imposed any new barriers to trade or investment, earning it a score of +1.

Analyst: Geoffrey Wilde

Germany: +1

Germany has fully complied with its commitment to refrain from raising or imposing new barriers to investment or trade in goods and services, imposing new export restrictions or implementing WTO inconsistent measures to stimulate exports.

On 27 September 2010, the European Commission, of which Germany is a member, implemented Regulation (EU) No 857/2010, which imposes a countervailing duty and collects definitely the provisional duty imposed on imports of certain polyethylene terephthalate originating in Iran, Pakistan and the United Arab Emirates. The duties for Iran, Pakistan, and the UAE are equal to EUR139.70, EUR44.02, and EUR42.34 per tonne respectively. These duties were imposed following an investigation carried out by the EC following a complaint lodged on 20 July 2009 by the Polyethylene Terephthalate Committee of Plastics Europe.⁶⁸⁷

On 13 September 2010, the European Commission implemented Regulation (EU) No 805/2010, which re-imposes a definitive anti-dumping duty of 18.1 per cent of the price before duty on imports of ironing boards originating in China. These duties were re-

⁶⁸⁴ COUNCIL IMPLEMENTING REGULATION (EU) No 805/2010. 13 September 2010. Date of Access 19 October 2010. eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:242:0001:0005:EN:PDF

⁶⁸⁵ COUNCIL IMPLEMENTING REGULATION (EU) No 805/2010. 13 September 2010. Date of Access 19 October 2010. eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:242:0001:0005:EN:PDF

⁶⁸⁶ WTO 2010 News Items, World Trade Organization (Brussels) 21 September 2010. Date of Access 6 November 2010. www.wto.org/english/news_e/news10_e/dsb_21sep10_e.htm

⁶⁸⁷ COUNCIL IMPLEMENTING REGULATION (EU) No 805/2010. 13 September 2010. Date of Access 19 October 2010. eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:242:0001:0005:EN:PDF

imposed following an investigation carried out by the EC following the annulment of Regulation (EC) No 452/2007 by the Court of Justice.⁶⁸⁸

However, the September 2010 News Items for the WTO Dispute Settlement Body indicate that the EU has not yet called on the WTO Dispute Settlements Body to establish a panel to explore either of the above measures.⁶⁸⁹ Until such a panel is called and reaches a definite conclusion, neither measure can be deemed in violation of WTO rules on subsidies and countervailing measures.

Germany has not imposed any new barriers to trade or investment, earning it a score of +1.

Analyst: Geoffrey Wilde

India: -1

India has failed to comply with its commitment to refrain from raising or imposing new barriers to investment or trade in goods and services, imposing new export restrictions, or implementing WTO inconsistent measures to stimulate exports.

On 8 October 2010, the Indian Ministry of Commerce and Industry imposed anti-dumping duties of ranging from USD10.03 to USD547.03 per metric tonne per on imports of Phenol originating from Thailand and Japan.⁶⁹⁰ These duties were imposed following an investigation carried out by the ministry into dumping of Phenol from Thailand and Japan.

On 19 October 2010, the Ministry of Commerce and Industry imposed anti-dumping duties of ranging from 7 per cent to 266 per cent on imports of Synchronous Digital Hierarchy transmission equipment originating from Israel and China.⁶⁹¹ These duties were imposed following an investigation carried out by the ministry into dumping of SDH Equipment from Israel and China.

India has imposed at least two new barriers to trade and thus has been awarded a score of -1.

Analyst: Geoffrey Wilde

⁶⁸⁸ COUNCIL IMPLEMENTING REGULATION (EU) No 805/2010. 13 September 2010. Date of Access 19 October 2010. eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:242:0001:0005:EN:PDF

⁶⁸⁹ WTO 2010 News Items, World Trade Organization (Brussels) 21 September 2010. Date of Access 6 November 2010. www.wto.org/english/news_e/news10_e/dsb_21sep10_e.htm

⁶⁹⁰ No. 14/27/2009 – DGAD, Ministry of Commerce and Industry, Department of Commerce, Directorate General of Anti-Dumping and Allied Duties (New Delhi). 8 October 2010. Date of Access: October 24, 2010. commerce.nic.in/writereaddata/traderemedies/adfin_Phenol_Japan_Thailand.pdf

⁶⁹¹ No. 14/2/2009 – DGAD, Ministry of Commerce and Industry, Department of Commerce, Directorate General of Anti-Dumping and Allied Duties (New Delhi). 19 October 2010. Date of Access: October 24, 2010. commerce.nic.in/writereaddata/traderemedies/adpref_SDH_transmission_equipment_ChinaPR_Israel.pdf

Indonesia: 0

Indonesia has partially complied with its commitment to refrain from raising or imposing new barriers to investment or trade in goods and services, imposing new export restrictions or implementing WTO inconsistent measures to stimulate exports.

On 21 June 2010, the Indonesian Ministry of Industry issued Regulation No. 23/M-DAG/PER/5/2010, amendment to Regulation No. 56/M-DAG/PER/12/2008. The new amendment increased the number of products subject to special import requirements and increased tariffs on those products. Some of the products subject to the new regulations include cosmetics, medicines, and energy efficient lights.⁶⁹² The duties on these imports will remain in effect from 21 June 2010 to 31 December 2010.

Indonesia has imposed one new barrier to trade and thus has been awarded a score of 0.

Analyst: Geoffrey Wilde

Italy: +1

Italy has fully complied with its commitment to refrain from raising or imposing new barriers to investment or trade in goods and services, imposing new export restrictions or implementing WTO inconsistent measures to stimulate exports.

On 27 September 2010, the European Commission, of which Italy is a member, implemented Regulation (EU) No 857/2010, which imposes a countervailing duty and collects definitely the provisional duty imposed on imports of certain polyethylene terephthalate originating in Iran, Pakistan and the United Arab Emirates. The duties for Iran, Pakistan, and the UAE are equal to EUR139.70, EUR44.02, and EUR42.34 per tonne respectively. These duties were imposed following an investigation carried out by the EC following a complaint lodged on 20 July 2009 by the Polyethylene Terephthalate Committee of Plastics Europe.⁶⁹³

On 13 September 2010, the European Commission implemented Regulation (EU) No 805/2010, which re-imposes a definitive anti-dumping duty of 18.1 per cent of the price before duty on imports of ironing boards originating in China. These duties were re-imposed following an investigation carried out by the EC following the annulment of Regulation (EC) No 452/2007 by the Court of Justice.⁶⁹⁴

However, the September 2010 News Items for the WTO Dispute Settlement Body indicate that the EU has not yet called on the WTO Dispute Settlements Body to establish

⁶⁹² Indonesia: Increased import tariffs on medicines, cosmetics and energy efficient lights, Global Trade Alert (London). 1 June 2010. Date of Access 18 October 2010. www.globaltradealert.org/measure/indonesia-increased-import-tariffs-medicines-cosmetics-and-energy-efficient-lights

⁶⁹³ COUNCIL IMPLEMENTING REGULATION (EU) No 805/2010. 13 September 2010. Date of Access 19 October 2010. eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:242:0001:0005:EN:PDF

⁶⁹⁴ COUNCIL IMPLEMENTING REGULATION (EU) No 805/2010. 13 September 2010. Date of Access 19 October 2010. eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:242:0001:0005:EN:PDF

a panel to explore either of the above measures.⁶⁹⁵ Until such a panel is called and reaches a definite conclusion, neither measure can be deemed in violation of WTO rules on subsidies and countervailing measures.

Italy has not imposed any new barriers to trade or investment, earning it a score of +1.

Analyst: Geoffrey Wilde

Japan: +1

No information was found indicating the imposition of new protectionist measures by Japan in this compliance cycle. Therefore, Japan has fully complied with its commitment to refrain from raising barriers or imposing new barriers to investment or trade in goods and services, imposing new export restrictions or implementing WTO inconsistent measures to stimulate exports, and has been awarded a score of +1.

Analyst: Geoffrey Wilde

Korea: +1

No information was found indicating the imposition of new protectionist measures by the Republic of Korea in this compliance cycle. Therefore, the Republic of Korea has fully complied with its commitment to refrain from raising barriers or imposing new barriers to investment or trade in goods and services, imposing new export restrictions or implementing WTO inconsistent measures to stimulate exports, and has been awarded a score of +1.

Analyst: Geoffrey Wilde

Mexico: -1

Mexico has failed to comply with its commitment to refrain from raising or imposing new barriers to investment or trade in goods and services, imposing new export restrictions or implementing WTO inconsistent measures to stimulate exports.

On 24 September 2010, the Mexican Ministry of Economy imposed tariffs ranging from 5 per cent to 10 per cent on imports of certain vegetable oils.⁶⁹⁶ The decree of the Ministry of Economy cited the need to protect the domestic oil production industry from imports. For some of the goods, the tariff is to remain in effect for thirty months, after which the tariffs are to be reduced to 3 per cent and 5 per cent.⁶⁹⁷

On 2 August 2010, the Ministry of Economy imposed anti-dumping duties of 64 per cent on certain carbon steel nuts from China.⁶⁹⁸ The resolution of the Ministry of Economy

⁶⁹⁵ WTO 2010 News Items, World Trade Organization (Brussels) 21 September 2010. Date of Access 6 November 2010. www.wto.org/english/news_e/news10_e/dsb_21sep10_e.htm

⁶⁹⁶ Mexico: Increase of import tariffs on certain vegetable oils, Global Trade Alert (London). 30 September 2010. Date of Access: October 19, 2010. www.globaltradealert.org/measure/mexico-increase-import-tariffs-certain-vegetable-oils

⁶⁹⁷ DECRETO por el que se modifica la Tarifa de la Ley de los Impuestos Generales de Importación y de Exportación, SECRETARIA DE ECONOMIA. 23 September 2010. Date of Access 19 October 2010. www.iqom.com.mx/documents/0910/DOF_23_sep_10.doc

⁶⁹⁸ Resolución final de la investigación antidumping sobre las importaciones de tuercas de acero al carbón negras o recubiertas originarias de la República Popular China, independientemente del país de procedencia. Esta mercancía se clasifica en las fracciones arancelarias 7318.16.03 y 7318.16.04 de la Tarifa

cited the need to protect the domestic steel nut production industry from imports. These duties were imposed following an investigation carried out by the ministry which was initiated on 3 February 2009.⁶⁹⁹

Mexico has imposed at least two new barriers to trade and has therefore been awarded a score of -1.

Analyst: Geoffrey Wilde

Russia: -1

Russia has failed to comply with its commitment to refrain from raising barriers or imposing new barriers to investment or trade in goods and services, imposing new export restrictions or implementing WTO inconsistent measures to stimulate exports.

On 5 August 2010, Russian Government established from 15 August 2010 to 31 December 2010 a temporary ban on the export of wheat, meslin, barley, rye, maize and wheat and wheat-and-rye flour from Russia.⁷⁰⁰ On 20 October 2010, the ban for aforementioned goods except flour was prolonged to 30 June 2011.⁷⁰¹

On 17 August 2010, the Commission of the Custom Union of Russia, Belarus and Kazakhstan increased import tariffs on several milk products⁷⁰² and on certain agricultural machines by 5%.⁷⁰³

On 17 August 2010, the Commission of the Custom Union of Russia, Belarus and Kazakhstan increased minimum tariffs on some types of tires by EUR13.1 per 1 piece.⁷⁰⁴

During the compliance period Russia has imposed new barriers to trade and thus has been awarded a score of -1.

de la Ley de los Impuestos Generales de Importación y de Exportación, SEGUNDA SECCION, PODER EJECUTIVO, SECRETARIA DE ECONOMIA. 2 August 2010. Date of Access 19 October 2010.

www.iqom.com.mx/documents/0810/Resolucin%20final%20-%20tuercas%20chinas.doc

⁶⁹⁹ Mexico: Adoption of antidumping duties against carbon steel nuts from China, Global Trade Alert (London). 20 August 2010. Date of Access: October 19, 2010 www.globaltradealert.org/measure/mexico-adoption-antidumping-duties-against-carbon-steel-nuts-china

⁷⁰⁰ Prime Minister Vladimir Putin signs resolution No. 599 of August 5, 2010, On the Introduction of a Temporary Ban on the Export of Some Agricultural Products from the Russian Federation, Government of Russia 5 August 2010. Date of Access: 3 November 2010. government.ru/eng/smi/messages/11634/.

⁷⁰¹ Government resolution No. 853 of 20 October 2010, Government of Russia 20 October 2010. Date of Access: 3 November 2010. government.consultant.ru/page.aspx?8411;1296286

⁷⁰² Custom Union of Russia, Belarus and Kazakhstan: Import tariff increase on certain milk products, Global Trade Alert (London). 12 October 2010. Date of Access: October 24, 2010. www.globaltradealert.org/measure/custom-union-russia-belarus-and-kazakhstan-import-tariff-increase-certain-milk-products.

⁷⁰³ Custom Union of Russia, Belarus and Kazakhstan: Import tariff introduction on certain agricultural machineries, Global Trade Alert (London). 12 October 2010. Date of Access: October 24, 2010. www.globaltradealert.org/measure/custom-union-russia-belarus-and-kazakhstan-import-tariff-introduction-certain-agricultural-m.

⁷⁰⁴ Custom Union Decision No. 347 of 17 August 2010, Custom Union of Russia, Belarus and Kazakhstan 17 August 2010. Date of Access: 3 November 2010. www.tsouz.ru/KTS/KTS18/Pages/R_347.aspx.

Saudi Arabia: +1

No information was found indicating the imposition of new protectionist measures by Saudi Arabia in this compliance cycle. Therefore, Saudi Arabia has fully complied with its commitment to refrain from raising barriers or imposing new barriers to investment or trade in goods and services, imposing new export restrictions or implementing WTO inconsistent measures to stimulate exports and has been awarded a score of +1.

Analyst: Geoffrey Wilde

South Africa: -1

South Africa has failed to comply with its commitment to refrain from raising or imposing new barriers to investment or trade in goods and services, imposing new export restrictions or implementing WTO inconsistent measures to stimulate exports.

On 20 August 2010,⁷⁰⁵ the International Trade Administration Commission of South Africa presented Report No. 341, increasing the rate of customs duty on calcium propionate to 15 per cent ad valorem.⁷⁰⁶ These duties were imposed following an investigation carried out by the commission at the request of a domestic producer. The investigation concluded that the duties would help the domestic producer meet the challenge of foreign competition, fully utilize its production capacity to achieve economies of scale, and lower marginal cost of production.⁷⁰⁷ The duties on calcium propionate imports will remain in effect for five years.⁷⁰⁸

On 20 August, 2010⁷⁰⁹ the rate of customs duty on wheat and wheaten flour was increased from ZAR 14,07c/kg and ZAR 21,10c/kg to ZAR26,09 c/kg and ZAR39,13c/kg, respectively.⁷¹⁰ This increase follows a previous increase in April 2010, when the rates were increased from free of duty to ZAR14,07 c/kg and ZAR21,10c/kg, respectively. The new rates are applicable to the general rate, imports from the EU and EFTA. Imports from the Southern African Development Community (SADC) remain free of duty.⁷¹¹

⁷⁰⁵ Current News, International Trade Administration Commission (Pretoria) 20 August 2010. Date of Access 19 October 2010 www.itac.org.za/news.asp

⁷⁰⁶ South Africa: Increase in customs duty on calcium propionate, Global Trade Alert (London), 20 August 2010. Date of Access 19 October 2010. www.globaltradealert.org/measure/south-africa-increase-customs-duty-calcium-propionate

⁷⁰⁷ Report No. 341, International Trade Administration Commission, Republic of South Africa. Date of Access: October 19, 2010. www.itac.org.za/docs/Report%20No.%20341.pdf

⁷⁰⁸ Report No. 341, International Trade Administration Commission, Republic of South Africa. Date of Access: October 19, 2010.

www.itac.org.za/docs/Report%20No.%20341.pdf

⁷⁰⁹ Current News, International Trade Administration Commission (Pretoria). Date of Access 19 October 2010 www.itac.org.za/news.asp

⁷¹⁰ Minute M3/2010, Increase in the Rate of Customs Duty on Wheat and Wheaten Flour, International Trade Administration Commission, Republic of South Africa (South Africa) 20 August 2010. Date of Access: October 19, 2010. www.itac.org.za/docs/Minute%20M3-2010.pdf

⁷¹¹ Minute M3/2010, Increase in the Rate of Customs Duty on Wheat and Wheaten Flour, International Trade Administration Commission, Republic of South Africa (South Africa) 20 August 2010. Date of Access: October 19, 2010. www.itac.org.za/docs/Minute%20M3-2010.pdf

South Africa has imposed at least two new barriers to trade and thus has been awarded a score of -1.

Analyst: Geoffrey Wilde

Turkey: -1

Turkey has failed to comply with its commitment to refrain from raising or imposing new barriers to investment or trade in goods and services, imposing new export restrictions, or implementing WTO inconsistent measures to stimulate exports.

On 21 July 2010, the Undersecretariat of the Prime Ministry for Foreign Trade imposed anti-dumping duties on imports of certain iron or steel ropes and cables originating from China and Russia. The duties imposed were USD1 and USD0.50 per kilogram of rope or cable from China and Russia respectively. The duties imposed following an investigation carried out by the Undersecretariat.⁷¹²

On 27 August 2010, the Undersecretariat of the Prime Ministry for Foreign Trade imposed anti-dumping duties on imports of base metal hinges, furniture fittings and other hardware and straps originating from Indonesia, Malaysia and Chinese Taiwan. The duties imposed range from USD0.75 to USD1.74 per kilogram. The duties imposed following an investigation carried out by the Undersecretariat.⁷¹³

Turkey has imposed at least two new barriers to trade and thus has been awarded a score of -1.

Analyst: Geoffrey Wilde

United Kingdom: +1

The United Kingdom has fully complied with its commitment to refrain from raising or imposing new barriers to investment or trade in goods and services, imposing new export restrictions or implementing WTO inconsistent measures to stimulate exports.

On 27 September 2010, the European Commission, of which the United Kingdom is a member, implemented Regulation (EU) No 857/2010, which imposes a countervailing duty and collects definitely the provisional duty imposed on imports of certain polyethylene terephthalate originating in Iran, Pakistan and the United Arab Emirates. The duties for Iran, Pakistan, and the UAE are equal to EUR139.70, EUR44.02, and EUR42.34 per tonne respectively. These duties were imposed following an investigation carried out by the EC following a complaint lodged on 20 July 2009 by the Polyethylene Terephthalate Committee of Plastics Europe.⁷¹⁴

On 13 September 2010, the European Commission implemented Regulation (EU) No 805/2010, which re-imposes a definitive anti-dumping duty of 18.1 per cent of the price

⁷¹² COMMUNIQUE NO: 2010/22, Undersecretariat of the Prime Ministry for Foreign Trade (Istanbul) 21 July 2010. Date of Access 24 October 2010. rega.basbakanlik.gov.tr/eskiler/2010/07/20100721-21.htm

⁷¹³ COMMUNIQUE NO: 2010/20, Undersecretariat of the Prime Ministry for Foreign Trade (Istanbul) 27 August 2010. Date of Access 24 October 2010. rega.basbakanlik.gov.tr/eskiler/2008/08/20080827-8.htm

⁷¹⁴ COUNCIL IMPLEMENTING REGULATION (EU) No 805/2010. 13 September 2010. Date of Access 19 October 2010. eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:242:0001:0005:EN:PDF

before duty on imports of ironing boards originating in China. These duties were re-imposed following an investigation carried out by the EC following the annulment of Regulation (EC) No 452/2007 by the Court of Justice.⁷¹⁵

However, the September 2010 News Items for the WTO Dispute Settlement Body indicate that the EU has not yet called on the WTO Dispute Settlements Body to establish a panel to explore either of the above measures.⁷¹⁶ Until such a panel is called and reaches a definite conclusion, neither measure can be deemed in violation of WTO rules on subsidies and countervailing measures.

The United Kingdom has not imposed any new barriers to trade or investment, earning it a score of +1.

Analyst: Geoffrey Wilde

United States: -1

The United States has failed to comply with its commitment to refrain from raising or imposing new barriers to investment or trade in goods and services, imposing new export restrictions, or implementing WTO inconsistent measures to stimulate exports.

On 2 July 2010, the US Department of Commerce imposed anti-dumping duties ranging from 77.75 per cent to 174.85 per cent on imports of electric blankets originating from China.⁷¹⁷ These duties were imposed following an investigation carried out by the department.

On 8 June 2010, the Department of Commerce imposed anti-dumping duties ranging from 136.76 per cent to 145.18 per cent on imports of certain steel grating originating from China.⁷¹⁸ These duties were imposed following an investigation carried out by the department.

USA has imposed at least two new barriers to trade and thus has been awarded a score of -1.

Analyst: Geoffrey Wilde

⁷¹⁵ COUNCIL IMPLEMENTING REGULATION (EU) No 805/2010. 13 September 2010. Date of Access 19 October 2010. eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:242:0001:0005:EN:PDF

⁷¹⁶ WTO 2010 News Items, World Trade Organization (Brussels) 21 September 2010. Date of Access 6 November 2010. www.wto.org/english/news_e/news10_e/dsb_21sep10_e.htm

⁷¹⁷ Certain Woven Electric Blankets From the People's Republic of China: Final Determination of Sales at Less Than Fair Value, Department of Commerce, International Trade Administration (Washington). 2 July 2010. Date of Access 24 October 2010.

www.usitc.gov/trade_remedy/731_ad_701_cvd/investigations/2010/woven_electric_blankets/final/PDF/ITA%20Final%20Results%2075%20FR%2038459.pdf

⁷¹⁸ Certain Steel Grating From the People's Republic of China: Final Determination of Sales at Less Than Fair Value, Department of Commerce, International Trade Administration (Washington). 8 Junr 2010. Date of Access: October 24, 2010.

www.usitc.gov/trade_remedy/731_ad_701_cvd/investigations/2010/steel_grating/final/PDF/Steel%20Grating_ITA%20AD%20Det.pdf

European Union: +1

The European Union has fully complied with its commitment to refrain from raising or imposing new barriers to investment or trade in goods and services, imposing new export restrictions or implementing WTO inconsistent measures to stimulate exports.

On 27 September 2010, the European Commission, of which France is a member, implemented Regulation (EU) No 857/2010, which imposes a countervailing duty and collects definitely the provisional duty imposed on imports of certain polyethylene terephthalate originating in Iran, Pakistan and the United Arab Emirates. The duties for Iran, Pakistan, and the UAE are equal to 139.70, 44.02, and 42.34 EUR per tonne respectively. These duties were imposed following an investigation carried out by the EC following a complaint lodged on 20 July 2009 by the Polyethylene Terephthalate Committee of Plastics Europe.⁷¹⁹

On 13 September 2010, the European Commission implemented Regulation (EU) No 805/2010, which re-imposes a definitive anti-dumping duty of 18.1 per cent of the price before duty on imports of ironing boards originating in China. These duties were re-imposed following an investigation carried out by the EC following the annulment of Regulation (EC) No 452/2007 by the Court of Justice.⁷²⁰

However, the September 2010 News Items for the WTO Dispute Settlement Body indicate that the EU has not yet called on the WTO Dispute Settlements Body to establish a panel to explore either of the above measures.⁷²¹ Until such a panel is called and reaches a definite conclusion, neither measure can be deemed in violation of WTO rules on subsidies and countervailing measures.

The European Union has not imposed any new barriers to trade or investment, earning it a score of +1.

Analyst: Geoffrey Wilde

⁷¹⁹ COUNCIL IMPLEMENTING REGULATION (EU) No 805/2010. 13 September 2010. Date of Access 19 October 2010. eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:242:0001:0005:EN:PDF

⁷²⁰ COUNCIL IMPLEMENTING REGULATION (EU) No 805/2010. 13 September 2010. Date of Access 19 October 2010. eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:242:0001:0005:EN:PDF

⁷²¹ WTO 2010 News Items, World Trade Organization (Brussels) 21 September 2010. Date of Access 6 November 2010. www.wto.org/english/news_e/news10_e/dsb_21sep10_e.htm

10. Corruption [53]

Commitment

“We call for the ratification and full implementation by all G20 members of the United Nations Convention against Corruption (UNCAC) and encourage others to do the same.”
G20 Toronto Summit Declaration

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina		0	
Australia		0	
Brazil		0	
Canada		0	
China		0	
France		0	
Germany	-1		
India	-1		
Indonesia		0	
Italy		0	
Japan	-1		
Korea		0	
Mexico		0	
Russia		0	
South Africa		0	
Saudi Arabia	-1		
Turkey		0	
United Kingdom		0	
United States		0	
European Union		0	
Average Score			-0.20

Background

On 3 October 2003, by way of resolution 58/4, the General Assembly adopted the United Nations Convention against Corruption (UNCAC).⁷²²

The UNCAC comprises of action in four parts:⁷²³

1. Prevention. Signatories of the UNCAC agreed to undertake preventative measures and policies to enhance transparency. Article 5 of the Convention specifically

⁷²² United Nations Convention against Corruption: UN Document: Gathering a Body of Global Agreements. United Nations. 31 October 2003. Date of Access: 15 October 2010. www.un-documents.net/a58r4.htm

⁷²³ United Nations Convention against Corruption: UN Document: Gathering a Body of Global Agreements. United Nations. 31 October 2003. Date of Access: 15 October 2010. www.un-documents.net/a58r4.htm

instructs each state signatory to create and promote effective practices aimed at the prevention of corruption.

2. Criminalization. UNCAC explicitly calls for each country to establish well defined criminal and other offences to cover a wide range of acts of corruption. The Convention also lists offences that relate to private-sector corruption.
3. International cooperation. Signatories agreed to cooperate with one another with respect to fighting corruption. Each country is required to embark on measures to support the tracing, freezing, seizure and confiscation of the proceeds of corruption.
4. Asset recovery. UNCAC deals directly with countries where instances of high-level corruption are widespread. Article 51 of the Convention stipulates that assets must be returned to countries of origin as a fundamental principle. Further, Article 43 obliges parties to cooperate with each other in the investigation and prosecution of offences defined in the convention whenever possible.

After ratifying the Convention, the G20 called for all signatories to fully implement the UNCAC principles. Article 63 of UNCAC established a Conference of the States Parties (CoSP) and charged it with a mandate to effectively review the implementation of the Convention.⁷²⁴

A “Pilot Review Programme” was established to test possible means for the implementation review of the UNCAC, with the overall objective to evaluate efficiency and effectiveness of the proposed mechanism(s), and to provide the CoSP’s with information on lessons learnt and experience acquired, enabling the CoSPs to make more informed decisions.⁷²⁵ The Pilot Review Programme’s reviewed the following UNCAC principles: Article 5 (preventive anti-corruption policies and practices); Article 15 (bribery of national public officials); Article 16 (bribery of foreign public officials and officials of public international organizations); Article 17 (embezzlement, misappropriation or other diversion of property by a public official); Article 25 (obstruction of justice); Article 46 (mutual legal assistance), particularly paragraphs 13 and 9; 52 (prevention and detection of transfers of proceeds of crime); and 53 (measures for direct recovery of property).

Commitment Features

In order to satisfy the requirements set out in the commitment, G20 states will need to ratify the UNCAC treaty and all states will need to fully implement the four principles of UNCAC.

⁷²⁴ United Nations Convention against Corruption Pilot Review Programme. United Nations. Date of Access: 15 October 2010. www.unodc.org/unodc/en/treaties/CAC/pilot-review.html

⁷²⁵ United Nations Convention against Corruption Pilot Review Programme. United Nations. Date of Access: 15 October 2010. www.unodc.org/unodc/en/treaties/CAC/pilot-review.html

Table 7. Signatories to the United Nations Convention against Corruption⁷²⁶

Country	Signature	Ratification
Argentina	10 December 2003	28 August 2006
Australia	9 December 2003	7 December 2005
Brazil	9 December 2003	15 June 2005
Canada	21 May 2004	2 October 2007
China	10 December 2003	13 January 2006
France	9 December 2003	11 July 2005
Germany	9 December 2003	
India	9 December 2005	
Indonesia	18 December 2003	19 September 2006
Italy	9 December 2003	5 October 2009
Japan	9 December 2003	
Mexico	9 December 2003	20 July 2004
Russia	9 December 2003	9 May 2006
Saudi Arabia	9 January 2004	
South Africa	9 December 2003	22 November 2004
South Korea	10 December 2003	27 March 2008
Turkey	10 December 2003	9 November 2009
United Kingdom	9 December 2003	9 February 2006
United States	9 December 2003	30 October 2006
European Union	15 September 2005	12 November 2008

Scoring Guidelines

-1	G20 member has not ratified the United Nations Convention against Corruption (UNCAC).
0	G20 member has ratified and partially implemented the principles outlined in the United Nations Convention against Corruption (UNCAC).
+1	G20 member has ratified and fully implemented the United Nations Convention against Corruption (UNCAC).

Argentina: 0

Argentina has partially complied with its commitment to ratify and implement the principles outlined in the United Nations Convention against Corruption (UNCAC).

Argentina signed the UNCAC on 10 December 2003 and ratified it on 28 August 2006.⁷²⁷

Argentina has attended all of the meetings of the Open-ended Intergovernmental Working Group on the Review of the Implementation of the UNCAC and the Conference of States Parties held during the current compliance cycle.⁷²⁸

⁷²⁶ Signatories to the United Nations Convention against Corruption (United Nations) 14 December 2004. Date of Access: 15 October 2010. www.unodc.org/unodc/en/treaties/CAC/signatories.html.

⁷²⁷ Signatories to the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna) 9 December 2009. Date of Access: 15 October 2010. www.unodc.org/unodc/en/treaties/CAC/signatories.html.

Thus, Argentina has been awarded a score of 0 for partially complying with its commitment to ratify and fully implement the UNCAC.

Analyst: Sameer Singh

Australia: 0

Australia has partially complied with its commitment to ratify and implement the principles outlined in the United Nations Convention against Corruption (UNCAC).

Australia signed the UNCAC on 9 December 2003 and ratified it on 7 December 2005.⁷²⁹

Australia has attended all of the meetings of the Open-ended Intergovernmental Working Group on the Review of the Implementation of the UNCAC and the Conference of States Parties held during the current compliance cycle.⁷³⁰

Thus, Australia has been awarded a score of 0 for partially complying with its commitment to ratify and fully implement the UNCAC.

Analyst: Sameer Singh

Brazil: 0

Brazil has partially complied with its commitment to ratify and implement the principles outlined in the United Nations Convention against Corruption (UNCAC).

Brazil signed the UNCAC on 9 December 2003 and ratified it on 15 June 2005.⁷³¹

Brazil has attended all of the meetings of the Open-ended Intergovernmental Working Group on the Review of the Implementation of the UNCAC and the Conference of States Parties held during the current compliance cycle.⁷³²

Thus, Brazil has been awarded a score of 0 for partially complying with its commitment to ratify and fully implement the UNCAC.

⁷²⁸ Open-ended Intergovernmental Working Group on the Review of the Implementation of the United Nations Convention against Corruption. 2009. Date of Access: 10 October 2010. www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup1/25Aug-02Sep2009/2009-09-02_-_LOP_WG1_-_FINAL.pdf

⁷²⁹ Signatories to the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna) 9 December 2009. Date of Access: 9 October 2010. www.unodc.org/unodc/en/treaties/CAC/signatories.html.

⁷³⁰ Open-ended Intergovernmental Working Group on the Review of the Implementation of the United Nations Convention against Corruption. 2009. Date of Access: 10 October 2010. www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup1/25Aug-02Sep2009/2009-09-02_-_LOP_WG1_-_FINAL.pdf

⁷³¹ Signatories to the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna) 9 December 2009. Date of Access: 12 October 2010. www.unodc.org/unodc/en/treaties/CAC/signatories.html.

⁷³² Open-ended Intergovernmental Working Group on the Review of the Implementation of the United Nations Convention against Corruption. 2 September 2009. Date of Access: 15 October 2010. www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup1/25Aug-02Sep2009/2009-09-02_-_LOP_WG1_-_FINAL.pdf

Analyst: Sameer Singh

Canada: 0

Canada has partially complied with its commitment to ratify and implement the principles outlined in the United Nations Convention against Corruption (UNCAC).

Canada signed the UNCAC on 21 May 2004 and ratified it on 2 October 2007.⁷³³

Canada has attended all of the meetings of the Open-ended Intergovernmental Working Group on the Review of the Implementation of the UNCAC and the Conference of States Parties held during the current compliance cycle.⁷³⁴

Thus, Canada has been awarded a score of 0 for partially complying with its commitment to ratify and fully implement the UNCAC.

Analyst: Sameer Singh

China: 0

China has partially complied with its commitment to ratify and implement the principles outlined in the United Nations Convention against Corruption (UNCAC).

China signed the UNCAC on 10 December 2003 and ratified it on 13 January 2006.⁷³⁵

China has attended all of the meetings of the Open-ended Intergovernmental Working Group on the Review of the Implementation of the UNCAC and the Conference of States Parties held during the current compliance cycle.⁷³⁶

Thus, China has been awarded a score of 0 for partially complying with its commitment to ratify and fully implement the UNCAC.

Analyst: Sameer Singh

France: 0

France has partially complied with its commitment to ratify and implement the principles outlined in the United Nations Convention against Corruption (UNCAC).

⁷³³ Signatories to the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna) 9 December 2009. Date of Access: 10 October 2010. www.unodc.org/unodc/en/treaties/CAC/signatories.html.

⁷³⁴ Open-ended Intergovernmental Working Group on the Review of the Implementation of the United Nations Convention against Corruption. 2 September 2009. Date of Access: 10 October 2010. www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup1/25Aug-02Sep2009/2009-09-02_-_LOP_WG1_-_FINAL.pdf

⁷³⁵ Signatories to the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna) 9 December 2009. Date of Access: 10 October 2010. www.unodc.org/unodc/en/treaties/CAC/signatories.html.

⁷³⁶ Open-ended Intergovernmental Working Group on the Review of the Implementation of the United Nations Convention against Corruption. 2009. Date of Access: 10 October 2010. www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup1/25Aug-02Sep2009/2009-09-02_-_LOP_WG1_-_FINAL.pdf

France signed the UNCAC on 9 December 2003 and ratified it on 11 July 2005.⁷³⁷

France has attended all of the meetings of the Open-ended Intergovernmental Working Group on the Review of the Implementation of the UNCAC and the Conference of States Parties held during the current compliance cycle.⁷³⁸

Thus, France has been awarded a score of 0 for partially complying with its commitment to ratify and fully implement the UNCAC.

Analyst: Sameer Singh

Germany: -1

Germany has not complied with its commitment to ratify and implement the principles outlined in the United Nations Convention against Corruption (UNCAC) and reviewed by the Pilot Review Programme.

Although it signed the UNCAC on 9 December 2003, Germany has not ratified it yet.⁷³⁹

Germany has attended all of the meetings of the Open-ended Intergovernmental Working Group on the Review of the Implementation of the UNCAC and the Conference of States Parties held during the current compliance cycle.⁷⁴⁰

Thus, Germany has been awarded a score of -1 for failing to comply with its commitment to ratify and fully implement the UNCAC.

Analyst: Sameer Singh

India: -1

India has not complied with its commitment to ratify and implement the principles outlined in the United Nations Convention against Corruption (UNCAC).

Although India signed the UNCAC on 9 December 2005, it has not ratified the Convention.⁷⁴¹

⁷³⁷ Signatories to the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna) 9 December 2009. Date of Access: 9 October 2010. www.unodc.org/unodc/en/treaties/CAC/signatories.html.

⁷³⁸ Open-ended Intergovernmental Working Group on the Review of the Implementation of the United Nations Convention against Corruption. 2009. Date of Access: 10 October 2010. www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup1/25Aug-02Sep2009/2009-09-02_-_LOP_WG1_-_FINAL.pdf

⁷³⁹ Signatories to the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna) 9 December 2009. Date of Access: 9 October 2010. www.unodc.org/unodc/en/treaties/CAC/signatories.html

⁷⁴⁰ Open-ended Intergovernmental Working Group on the Review of the Implementation of the United Nations Convention against Corruption. 2009. Date of Access: 10 October 2010. www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup1/25Aug-02Sep2009/2009-09-02_-_LOP_WG1_-_FINAL.pdf

⁷⁴¹ Signatories to the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna) 9 December 2009. Date of Access: 10 October 2010. www.unodc.org/unodc/en/treaties/CAC/signatories.html

India has not attended all of the meetings of the Open-ended Intergovernmental Working Group. India did not attend the Fifth Intersessional Meeting on the Review of the Implementation of the UNCAC, held in Vienna on 25 August-2 September 2009.⁷⁴² However, India sent a delegation to attend the Third Session of the Conference of the State Parties to the UNCAC held in Doha, Qatar, on 9-13 November 2009.⁷⁴³

Thus, India has been awarded a score of -1 for failing to comply with its commitment to ratify and fully implement the UNCAC.

Analyst: Sameer Singh

Indonesia: 0

Indonesia has partially complied with its commitment to ratify and implement the principles outlined in the United Nations Convention against Corruption (UNCAC). Indonesia signed the UNCAC on 18 December 2003 and ratified it on 19 September 2006.⁷⁴⁴

Indonesia has attended all of the meetings of the Open-ended Intergovernmental Working Group on the Review of the Implementation of the UNCAC and the Conference of States Parties held during the current compliance cycle.⁷⁴⁵ In addition, Indonesia has taken action by participating in pilot testing of the UNCAC assessment tools.⁷⁴⁶

On 25 October 2010, Indonesian Ambassador to Korea Nicholas T. Dammen announced that Indonesia's anti-graft agency is cooperating with the G20 member states to design a working plan on corruption eradication, which will be presented at the 2010 G20 Seoul Summit. Ambassador Dammen said, "It has also been agreed upon that G20 will create a forum that would develop and implement an initiative that will make the private sector across the globe fight corruption... The business world will be included as one of the stakeholders of the anti-corruption drive and a strong commitment to anti-corruption is very fundamental."⁷⁴⁷

⁷⁴² Open-ended Intergovernmental Working Group on the Review of the Implementation of the United Nations Convention against Corruption. 2009. Date of Access: 10 October 2010. www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup1/25Aug-02Sep2009/2009-09-02_-_LOP_WG1_-_FINAL.pdf

⁷⁴³ Conference of the States Parties to the United Nations Convention against Corruption: Final List of Participants, United Nations Office on Drugs and Crime (Vienna) 13 November 2009. Date of Access: 10 October 2010. www.unodc.org/documents/treaties/UNCAC/COSP/session3/LoP_CoSP3_FINAL.pdf

⁷⁴⁴ Signatories to the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna) 9 December 2009. Date of Access: 9 October 2010. www.unodc.org/unodc/en/treaties/CAC/signatories.html

⁷⁴⁵ Open-ended Intergovernmental Working Group on the Review of the Implementation of the United Nations Convention against Corruption. 2009. Date of Access: 10 October 2010. www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup1/25Aug-02Sep2009/2009-09-02_-_LOP_WG1_-_FINAL.pdf

⁷⁴⁶ Pilot testing of the use of United Nations Convention against Corruption assessment tools in identifying and prioritizing technical assistance (Vienna) 16 September 2010. Date of Access: 10 October 2010. www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/29Nov-1Dec2010/V1056433e.pdf

⁷⁴⁷ Indonesia Hails G20's Push for Global Safety Net, The Korea Times (Seoul) 25 October 2010. Date of Access: 28 October 2010. www.koreatimes.co.kr/www/news/biz/2010/10/123_75179.html

Ambassador Dammen also stated that the Government of Indonesia participated in a G20 anti-corruption working group in Songdo, Incheon which took place in October 2010. He stated that France and Indonesia were selected as the joint chairs of the group. Further, Ambassador Dammen noted that the participants of the meeting discussed, “the creation of a strong and effective anti-bribery regime, promoting the protection of whistleblowers, recouping corrupted assets, and the prevention of access by corruptors to global financial transactions, including money laundering.”⁷⁴⁸

Thus, Indonesia has been awarded a score of 0 for partially complying with its commitment to ratify and fully implement the UNCAC.

Analyst: Sameer Singh

Italy: 0

Italy has partially complied with its commitment to ratify and implement the principles outlined in the United Nations Convention against Corruption (UNCAC).

Italy signed the UNCAC on 9 December 2003 and ratified it on 5 October 2009.⁷⁴⁹

Italy has not attended all of the meetings of the Open-ended Intergovernmental Working Group on the Review of the Implementation of the UNCAC and the Conference of States Parties held during the current compliance cycle. Italy did not attend the Fifth Intersessional Meeting on the Review of the Implementation of the UNCAC, held in Vienna on 25 August-2 September 2009.⁷⁵⁰ However, Italy sent a delegation to attend the Third Session of the Conference of the State Parties to the UNCAC held in Doha, Qatar, on 9-13 November 2009.⁷⁵¹

Thus, Italy has been awarded a score of 0 for partially complying with its commitment to ratify and fully implement the UNCAC.

Analyst: Sameer Singh

Japan: -1

Japan has not complied with its commitment to ratify and implement the principles outlined in the United Nations Convention against Corruption (UNCAC).

⁷⁴⁸ Indonesia Hails G20's Push for Global Safety Net, The Korea Times (Seoul) 25 October 2010. Date of Access: 28 October 2010. www.koreatimes.co.kr/www/news/biz/2010/10/123_75179.html

⁷⁴⁹ Signatories to the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna) 9 December 2009. Date of Access: 9 October 2010. www.unodc.org/unodc/en/treaties/CAC/signatories.html.

⁷⁵⁰ Open-ended Intergovernmental Working Group on the Review of the Implementation of the United Nations Convention against Corruption. 2009. Date of Access: 10 October 2010. www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup1/25Aug-02Sep2009/2009-09-02_-_LOP_WG1_-_FINAL.pdf

⁷⁵¹ Conference of the States Parties to the United Nations Convention against Corruption: Final List of Participants, United Nations Office on Drugs and Crime (Vienna) 13 November 2009. Date of Access: 10 October 2010. www.unodc.org/documents/treaties/UNCAC/COSP/session3/LoP_CoSP3_FINAL.pdf

Although it signed the UNCAC on 9 December 2003, Japan has not ratified it yet.⁷⁵²

Japan has attended all of the meetings of the Open-Intergovernmental Working Group on the Review of the Implementation of the UNCAC and the Conference of State Parties held during the current compliance cycle.⁷⁵³

Thus, Japan has been awarded a score of -1 failing to comply with its commitment to ratify and fully implement the UNCAC.

Analyst: Sameer Singh

Mexico: 0

Mexico has partially complied with its commitment to ratify and implement the principles outlined in the United Nations Convention against Corruption (UNCAC).

Mexico signed the UNCAC on 9 December 2003 and ratified it on 20 July 2004.⁷⁵⁴

Further, Mexico has attended all of the meetings of the Open-ended Intergovernmental Working Group on the Review of the Implementation of the UNCAC and the Conference of States Parties held during the current compliance cycle, but has not implemented all of the UNCAC's principles.⁷⁵⁵

Thus, Mexico has been awarded a score of 0 for partially complying with its commitment to ratify and fully implement the UNCAC.

Analyst: Sameer Singh

Russia: 0

Russia has partially complied with its commitment to ratify the United Nations Convention against Corruption (UNCAC) and implement the principles outlined in the convention.

Russia signed the UNCAC on 9 December 2003 and ratified it on 9 May 2006.⁷⁵⁶

⁷⁵² Signatories to the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna) 9 December 2009. Date of Access: 10 October 2010.

www.unodc.org/unodc/en/treaties/CAC/signatories.html

⁷⁵³ Open-ended Intergovernmental Working Group on the Review of the Implementation of the United Nations Convention against Corruption. 2 September 2009. Date of Access: 10 October 2010. www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup1/25Aug-02Sep2009/2009-09-02_-_LOP_WG1_-_FINAL.pdf

⁷⁵⁴ Signatories to the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna) 9 December 2009. Date of Access: 9 October 2010. www.unodc.org/unodc/en/treaties/CAC/signatories.html.

⁷⁵⁵ Open-ended Intergovernmental Working Group on the Review of the Implementation of the United Nations Convention against Corruption. 2 September 2009. Date of Access: 10 October 2010. www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup1/25Aug-02Sep2009/2009-09-02_-_LOP_WG1_-_FINAL.pdf

⁷⁵⁶ Signatories to the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna) 9 December 2009. Date of Access: 9 December 2009. www.unodc.org/unodc/en/treaties/CAC/signatories.html.

Russia has attended all of the meetings of the Open-ended Intergovernmental Working Group on the Review of the Implementation of the UNCAC and the Conference of States Parties held during the current compliance cycle.⁷⁵⁷

Several Russian laws were changed in connection with the ratification of the UNCAC in 2008, thus partially implementing the Convention.⁷⁵⁸

On 1 July 2010, Russian President Dmitry Medvedev signed an Executive Order On Commissions for Supervising Compliance with the Requirements to Professional Conduct by Federal Employees and Settling Conflicts of Interest. It concerns verifying the authenticity and completeness of information supplied by candidates for federal public service positions and by federal public servants, as well as federal public servants' observance of the requirements to professional conduct. The Executive Order establishes the responsibility of senior officials of federal government agencies for setting respective commissions and recommends regional authorities to draft and approve provisions on commissions for supervising compliance with the requirements to professional conduct by local government employees and settling conflicts of interest.⁷⁵⁹

On 21 July 2010, Russian President D. Medvedev signed an Executive Order On Measures to Implement Certain Provisions of the Federal Law On Countering Corruption.⁷⁶⁰

On 23 September 2010, the first meeting of the State Commission on international anticorruption treaties implementation was held. The commission was created to coordinate Russia's participation in international anticorruption cooperation. The commission reviewed cooperation with the United Nations Office on Drugs and Crime on UNCAC implementation.⁷⁶¹

On 22 October 2010, Presidium of the Presidential Council for Countering Corruption discussed anti-corruption expertise of laws, regulations and drafts.⁷⁶² According to the

⁷⁵⁷ Open-ended Intergovernmental Working Group on the Review of the Implementation of the United Nations Convention against Corruption. 2009. Date of Access: 10 December 2009. www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup1/25Aug-02Sep2009/2009-09-02_-_LOP_WG1_-_FINAL.pdf

⁷⁵⁸ Dmitry Medvedev has introduced changes to several laws in connection with the ratification of the UN convention against corruption, the UN convention on criminal liability for corruption and the adoption of the Federal law "Against Corruption", President of Russia 26 December 2008. Date of Access: 3 November 2010. archive.kremlin.ru/eng/text/news/2008/12/211089.shtml.

⁷⁵⁹ Executive Order on requirements to professional conduct by federal employees has been signed, President of Russia 1 July 2010. Date of Access: 3 November 2010. eng.kremlin.ru/news/543.

⁷⁶⁰ Executive Order On Measures to Implement Certain Provisions of the Federal Law On Countering Corruption, President of Russia 21 July 2010. Date of Access: 3 November 2010. news.kremlin.ru/acts/8391.

⁷⁶¹ Meeting of the State Commission on International Anticorruption Treaties Implementation, President of Russia 23 September 2010. Date of Access: 3 November 2010. state.kremlin.ru/council/12/news/9012.

⁷⁶² Chief of Staff of the Presidential Executive Office Sergei Naryshkin chaired a meeting of the Presidium of the Presidential Council for Countering Corruption, President of Russia 22 October 2010. Date of Access: 3 November 2010. eng.state.kremlin.ru/council/12/news/1207.

Chairman of the Russian Accounts Chamber Sergei Stepashin the Russia's implementation of the UNCAC provisions will be monitored in 2011.⁷⁶³

Russia ratified UNCAC and has undertaken measures to implement three out of the four main UNCAC principles (prevention, criminalization and international cooperation), which can be considered as partial compliance to the commitment. Thus Russia has been awarded a score of 0.

Analyst: Sameer Singh and Mark Rakhmangulov

Saudi Arabia: -1

Saudi Arabia has not complied with its commitment to ratify and implement the principles outlined in the United Nations Convention against Corruption (UNCAC).

Although it signed the UNCAC on 9 December 2004, Saudi Arabia has not ratified it yet.⁷⁶⁴

Saudi Arabia has not attended all of the meetings of the Open-ended Intergovernmental Working Group. Saudi Arabia did not attend the Fifth Intersessional Meeting on the Review of the Implementation of the UNCAC, held in Vienna on 25 August-2 September 2009.⁷⁶⁵ However, Saudi Arabia sent a delegation to attend the Third Session of the Conference of the State Parties to the UNCAC held in Doha, Qatar, on 9-13 November 2009.⁷⁶⁶

Thus, Saudi Arabia has been awarded a score of -1 for failing to comply with its commitment to ratify and fully implement the UNCAC.

Analyst: Sameer Singh

South Africa: 0

South Africa has partially complied with its commitment to ratify and implement the principles outlined in the United Nations Convention against Corruption (UNCAC). South Africa signed the UNCAC on 9 December 2003 and ratified it on 22 November 2004.⁷⁶⁷

⁷⁶³ Chairman of the Russian Accounts Chamber Sergei Stepashin's comments after a meeting of the Presidium of the Presidential Council for Countering Corruption, President of Russia 22 July 2010. Date of Access: 3 November 2010. news.kremlin.ru/ref_notes/655.

⁷⁶⁴ Signatories to the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna) 9 December 2009. Date of Access: 10 October 2010. www.unodc.org/unodc/en/treaties/CAC/signatories.html.

⁷⁶⁵ Open-ended Intergovernmental Working Group on the Review of the Implementation of the United Nations Convention against Corruption. 2 September 2009. Date of Access: 10 December 2009. www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup1/25Aug-02Sep2009/2009-09-02_-_LOP_WG1_-_FINAL.pdf

⁷⁶⁶ Conference of the States Parties to the United Nations Convention against Corruption: Final List of Participants, United Nations Office on Drugs and Crime (Vienna) 13 November 2009. Date of Access: 10 October 2010. www.unodc.org/documents/treaties/UNCAC/COSP/session3/LoP_CoSP3_FINAL.pdf

⁷⁶⁷ Signatories to the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna) 9 December 2009. Date of Access: 9 October 2010. www.unodc.org/unodc/en/treaties/CAC/signatories.html.

South Africa attended all of the meetings of the Open-ended Intergovernmental Working Group on the Review of the Implementation of the UNCAC and the Conference of States Parties held during the current compliance cycle.⁷⁶⁸

Thus, South Africa has been awarded a score of 0 for partially complying with its commitment to ratify and fully implement the UNCAC.

Analyst: Sameer Singh

Korea: 0

Korea has partially complied with its commitment to ratify and implement the principles outlined in the United Nations Convention against Corruption (UNCAC).

The Government signed the UNCAC on 10 December 2003 and ratified it on 27 March 2008.⁷⁶⁹

Korea has attended all of the meetings of the Open-ended Intergovernmental Working Group on the Review of the Implementation of the UNCAC and the Conference of States Parties held during the current compliance cycle.⁷⁷⁰

Thus, Korea has been awarded a score of 0 for partially complying with its commitment to ratify and fully implement the UNCAC.

Analyst: Sameer Singh

Turkey: 0

Turkey has partially complied with its commitment to ratify and implement the principles outlined in the United Nations Convention against Corruption (UNCAC).

Turkey signed the UNCAC on 10 December 2003 and ratified it on 9 November 2009.⁷⁷¹

Turkey has attended all of the meetings of the Open-ended Intergovernmental Working Group on the Review of the Implementation of the UNCAC and the Conference of States Parties held during the current compliance cycle.⁷⁷²

⁷⁶⁸ Open-ended Intergovernmental Working Group on the Review of the Implementation of the United Nations Convention against Corruption. 2 September 2009. Date of Access: 10 October 2010. www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup1/25Aug-02Sep2009/2009-09-02_-_LOP_WG1_-_FINAL.pdf

⁷⁶⁹ Signatories to the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna) 9 December 2009. Date of Access: 15 October 2010. www.unodc.org/unodc/en/treaties/CAC/signatories.html.

⁷⁷⁰ Open-ended Intergovernmental Working Group on the Review of the Implementation of the United Nations Convention against Corruption. 2009. Date of Access: 15 October 2010. www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup1/25Aug-02Sep2009/2009-09-02_-_LOP_WG1_-_FINAL.pdf

⁷⁷¹ Signatories to the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna) 9 December 2009. Date of Access: 15 October 2010. www.unodc.org/unodc/en/treaties/CAC/signatories.html.

Thus, Turkey has been awarded a score of 0 for partially complying with its commitment to ratify and fully implement the UNCAC.

Analyst: Sameer Singh

United Kingdom: 0

The United Kingdom has partially complied with its commitment to ratify and implement the principles outlined in the United Nations Convention against Corruption (UNCAC).

The United Kingdom signed the UNCAC on 9 December 2003 and ratified it on 9 February 2006.⁷⁷³

The United Kingdom has attended all of the meetings of the Open-ended Intergovernmental Working Group on the Review of the Implementation of the UNCAC and the Conference of States Parties held during the current compliance cycle.⁷⁷⁴

Thus, the United Kingdom has been awarded a score of 0 for partially complying with its commitment to ratify and fully implement the UNCAC.

Analyst: Sameer Singh

United States: 0

The United States has partially complied with its commitment to ratify and implement the principles outlined in the United Nations Convention against Corruption (UNCAC).

The United States signed the UNCAC on 9 December 2003 and ratified it on 30 October 2006.⁷⁷⁵

The United States has attended all of the meetings of the Open-ended Intergovernmental Working Group on the Review of the Implementation of the UNCAC and the Conference of States Parties held during the current compliance cycle.⁷⁷⁶

⁷⁷² Open-ended Intergovernmental Working Group on the Review of the Implementation of the United Nations Convention against Corruption. 2 September 2009. Date of Access: 15 October 2010. www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup1/25Aug-02Sep2009/2009-09-02_-_LOP_WG1_-_FINAL.pdf

⁷⁷³ Signatories to the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna) 9 December 2009. Date of Access: 15 October 2010. www.unodc.org/unodc/en/treaties/CAC/signatories.html.

⁷⁷⁴ Open-ended Intergovernmental Working Group on the Review of the Implementation of the United Nations Convention against Corruption. 2009. Date of Access: 10 October 2010. www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup1/25Aug-02Sep2009/2009-09-02_-_LOP_WG1_-_FINAL.pdf

⁷⁷⁵ Signatories to the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna) 9 December 2009. Date of Access: 9 October 2010. www.unodc.org/unodc/en/treaties/CAC/signatories.html.

⁷⁷⁶ Open-ended Intergovernmental Working Group on the Review of the Implementation of the United Nations Convention against Corruption. 2009. Date of Access: 10 October 2010. www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup1/25Aug-02Sep2009/2009-09-02_-_LOP_WG1_-_FINAL.pdf

Thus, the United States has been awarded a score of 0 for partially complying with its commitment to ratify and fully implement the UNCAC.

Analyst: Sameer Singh

European Union: 0

The European Union has partially complied with its commitment to ratify and implement the principles outlined in the United Nations Convention against Corruption (UNCAC).

The European Union signed the UNCAC on 9 December 2003 and ratified it on 12 November 2008.⁷⁷⁷

The European Union has attended all of the meetings of the Open-ended Intergovernmental Working Group on the Review of the Implementation of the UNCAC and the Conference of States Parties held during the current compliance cycle.⁷⁷⁸

Thus, the European Union has been awarded a score of 0 for partially complying with its commitment to ratify and fully implement the UNCAC.

Analyst: Sameer Singh

⁷⁷⁷ Signatories to the United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna) 9 December 2009. Date of Access: 9 October 2010. www.unodc.org/unodc/en/treaties/CAC/signatories.html.

⁷⁷⁸ Open-ended Intergovernmental Working Group on the Review of the Implementation of the United Nations Convention against Corruption. 2009. Date of Access: 10 October 2010. www.unodc.org/documents/treaties/UNCAC/WorkingGroups/workinggroup1/25Aug-02Sep2009/2009-09-02_-_LOP_WG1_-_FINAL.pdf

11. Energy [60]

Commitment

“[We note with appreciation the report on energy subsidies from the IEA, OPEC, OECD and World Bank. We welcome the work of Finance and Energy Ministers in delivering implementation strategies and timeframes, based on national circumstances, for the rationalization and phase out over the medium term of inefficient fossil fuel subsidies that encourage wasteful consumption, taking into account vulnerable groups and their development needs.] We also encourage continued and full implementation of country-specific strategies and will continue to review progress towards this commitment at upcoming summits.”

G20 Toronto Summit Declaration

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina		0	
Australia			+1
Brazil			+1
Canada		0	
China		0	
France			+1
Germany			+1
India	-1		
Indonesia		0	
Italy			+1
Japan			+1
Korea			+1
Mexico			+1
Russia		0	
South Africa			+1
Saudi Arabia			+1
Turkey		0	
United Kingdom			+1
United States		0	
European Union	-1		
Average Score			+0.45

Background

During the 2009 Pittsburgh Summit, the G20 leaders agreed in the communiqué to, “reduc[e] fossil fuel subsidies while preventing adverse impact on the poorest.” They committed to rationalize and phase out over the medium term inefficient fossil fuel subsidies that encourage wasteful consumption, while recognizing the importance of providing those in need with essential energy services, including the use of targeted cash transfers and other appropriate mechanisms. This call was not only directed to the G20 member countries but extended to other.

The G20 requested that their Energy and Finance Ministers develop country implementation strategies and timeframes to be reported on at the next G20 Summit. Furthermore the IEA, OPEC, OECD, and World Bank were asked to provide an analysis of the scope of energy subsidies and suggestions for the implementation of this initiative, and report back at the Toronto Summit.

Accordingly, on 16 June 2010, a joint report was published which outlined; the scope of energy subsidies, the gaps in the existing data and issues around the measurement of energy subsidies, an analysis of the larger implications of phasing-out energy subsidies on the economy, socio-economic and trade impacts, the environment, and the energy sector and suggested ways to implement the phasing-out process.

Definitions

Fossil Fuel Subsidies: as per IEA definition includes any government measure or program with the objective or direct consequence of reducing below world-market prices, including all costs of transport, refining and distribution, the effective cost for fossil fuels paid by final consumers, or of reducing the costs or increasing the revenues of fossil-fuel producing companies. The definition has not been uniformly adopted by all G20 members.

Commitment Features

Aid to “vulnerable groups” refers to funding that assists groups suffering from the elimination of fossil fuels. This includes aid to vulnerable groups in G20 and developing countries. These groups will suffer from FFS abolition the most.

In order to achieve full compliance, member will have to take significant steps in implementing its country specific strategy to phase out inefficient fossil fuel subsidies while providing aid to vulnerable groups and their development needs.

Note that ‘vulnerable populations’ refers to poor households and affected industries.

Scoring Guidelines

-1	G20 member failed to implement their country-specific strategy to phase out inefficient fossil fuel subsidies OR the member does not have a country-specific strategy. OR G20 member has taken steps back from implementing their country-specific strategy to phase out inefficient fossil fuel subsidies, including possibly scaling back aid for those developing groups suffering the most from FFS phase outs.
0	G20 member has begun to implement their country-specific strategy to phase out inefficient fossil fuel subsidies, but has not fully done so.
+1	G20 member has made significant progress in implementing country-specific strategy to phase out inefficient fossil fuel subsidies AND has provided aid to vulnerable groups.

Argentina: 0

Argentina has partially complied with its commitment to limit inefficient fossil fuel subsidies that encourage wasteful consumption, while taking into account the needs of vulnerable groups.

Argentina's implementation strategy includes a proposal to "reduce household subsidy for propane gas consumption as natural gas access is expanded."⁷⁷⁹

The proposed policies have the aim of ensuring energy supply to household users and productive activities, which constitute the main driver of economic growth, without disregarding social aspects which are considered the cornerstone of economic policy.

In order to reduce the reliance on fossil fuel subsidies the National Government, through the Ministry of Federal Planning, Public Investment and Services, has promoted the expansion of transport capacity by natural gas pipelines which are known as Transport Capacity Expansion 2006-2008 and North-East Gas Pipeline.⁷⁸⁰ In addition, the government has implemented an incentives mechanism to encourage the necessary investments to increase private sector's gas production and exploration to reduce the reliance on fossil fuel energy sources.⁷⁸¹

On 27 September 2010 the Argentinean Government confirmed it "would withdraw subsidies use to keep home electricity and gas bills lower."⁷⁸² The Kirchner administration stated that an increase in the prices of energy would allow for a reduction of governmental aid, and that "the price hikes would only affect high-income homes."⁷⁸³ Planning Minister Julio de Vino had said that "the subsidies would be cut to 70 per cent."⁷⁸⁴

On 20 October 2010 the government announced that it would resume subsidies "after users filed thousands of complaints following price hikes of up to 400 percent in their gas

⁷⁷⁹ Annex- G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies (Toronto) July 2010. Date of Access: 20 October 2010.

www.g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁷⁸⁰ Annex- G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies (Toronto) July 2010. Date of Access: 20 October 2010.

www.g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁷⁸¹ Annex- G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies (Toronto) July 2010. Date of Access: 20 October 2010.

www.g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁷⁸² Energy Costs Push Stocks to Record High as Peso Weakens, The Wall Street Journal (Buenos Aires) 27 September 2010. Date of Access: 20 October 2010. online.wsj.com/article/BT-CO-20100927-714043.html

⁷⁸³ Government Goes Back With Unpopular Electricity, Gas Price Hike, Buenos Aires Herald (Buenos Aires) 20 October 2010. Date of Access: 20 October 2010.

www.buenosairesherald.com/BreakingNews/View/8926

⁷⁸⁴ Government Goes Back With Unpopular Electricity, Gas Price Hike, Buenos Aires Herald (Buenos Aires) 20 October 2010. Date of Access: 20 October 2010.

www.buenosairesherald.com/BreakingNews/View/8926

and electricity bills.”⁷⁸⁵ This decision included the restoration of “100 per cent of the funds.”⁷⁸⁶ Planning Minister Julio de Vino also “confirmed that the prices in the gas and electricity bills “will return to their previous levels.”⁷⁸⁷ Energy Secretary Daniel Cameron stated to a committee of the Lower House of Congress that “the government would return the money to users who have already paid swollen bills.”⁷⁸⁸

Therefore, Argentina has been awarded a score of 0.

Analyst: Nerin Ali

Australia: +1

According to the Annex to the G20 Initiative on Rationalizing and Phasing Out Inefficient Fuel Subsidies, Australia stated that it has no inefficient fossil fuel subsidies in place that fall under the scope of this commitment.⁷⁸⁹

The budgetary support for fossil fuel production is limited to measures that are intended to support production of clean energy.⁷⁹⁰ Additionally, the Australian Government provides means-tested income support payments to low income earners.⁷⁹¹

It has also not sought to subsidize alternative fuel sources, such as biofuel, which “makes up 0.5 per cent of Australia’s transport fuel-needs.”⁷⁹² Australia’s subsidies of biofuel “are lower than many other OECD countries.”⁷⁹³

⁷⁸⁵ Government Goes Back With Unpopular Electricity, Gas Price Hike, Buenos Aires Herald (Buenos Aires) 20 October 2010. Date of Access: 20 October 2010.
www.buenosairesherald.com/BreakingNews/View/8926

⁷⁸⁶ Government Goes Back With Unpopular Electricity, Gas Price Hike, Buenos Aires Herald (Buenos Aires) 20 October 2010. Date of Access: 20 October 2010.
www.buenosairesherald.com/BreakingNews/View/8926

⁷⁸⁷ Government Goes Back With Unpopular Electricity, Gas Price Hike, Buenos Aires Herald (Buenos Aires) 20 October 2010. Date of Access: 20 October 2010.
www.buenosairesherald.com/BreakingNews/View/8926

⁷⁸⁸ Government Goes Back With Unpopular Electricity, Gas Price Hike, Buenos Aires Herald (Buenos Aires) 20 October 2010. Date of Access: 20 October 2010.
www.buenosairesherald.com/BreakingNews/View/8926

⁷⁸⁹ Annex of the G20 Initiative on Rationalizing and Phasing out Inefficient Fuel Subsidies, G20 Energy Experts Working Group (Seoul) 11 June 2010. Date of Access 20 October 2010. g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁷⁹⁰ Annex of the G20 Initiative on Rationalizing and Phasing out Inefficient Fuel Subsidies, G20 Energy Experts Working Group (Seoul) 11 June 2010. Date of Access 20 October 2010. g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁷⁹¹ Annex of the G20 Initiative on Rationalizing and Phasing out Inefficient Fuel Subsidies, G20 Energy Experts Working Group (Seoul) 11 June 2010. Date of Access 20 October 2010. g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁷⁹² Global Subsidies Initiative: Biofuel Subsidies in Australia. Date of Access: 23 October 2010.
<http://www.globalsubsidies.org/en/research/biofuel-subsidies-australia>

⁷⁹³ Global Subsidies Initiative: Biofuel Subsidies in Australia. Date of Access: 23 October 2010.
<http://www.globalsubsidies.org/en/research/biofuel-subsidies-australia>

Thus, Australia can be considered to have fulfilled its commitment to phase out inefficient fossil fuel subsidies that encourage wasteful consumption, while taking into account vulnerable groups and their development needs, earning it a score of +1.

Analyst: Jasmine Hamade

Brazil: +1

According to the Annex to the G20 Initiative on Rationalizing and Phasing Out Inefficient Fuel Subsidies, Brazil claims that it has no inefficient fossil fuel subsidies in place that fall under the scope of this commitment.⁷⁹⁴

Thus, Brazil can be considered to have fulfilled its commitment to phase out inefficient fossil fuel subsidies that encourage wasteful consumption, while taking into account vulnerable groups and their development needs, earning it a score of +1.

Analyst: Laura Malaquias

Canada: 0

Canada has partially complied with its commitment to limit inefficient fossil fuel subsidies that encourage wasteful consumption, while providing aid for vulnerable groups and their development needs.

To reform subsidies given to fossil fuel producers, the Canadian government will continue to implement its Income Tax Regulations from May 2010.⁷⁹⁵ This legislation will gradually end the accelerated capital cost allowance for the oil sands beginning in 2011 and ending in 2015.⁷⁹⁶ Because the Canadian government has already implemented this effort to end subsidies, and will seek to continue its implementation over a four-year period, they have satisfied half of the commitment.⁷⁹⁷

In the past, Canada has eliminated a number of tax preferences for fossil fuel producers through advance notice to industry, transitional relief, and coincidental beneficial changes to the tax system.⁷⁹⁸

⁷⁹⁴ Annex of the G20 Initiative on Rationalizing and Phasing out Inefficient Fuel Subsidies, G20 Energy Experts Working Group (Seoul) 11 June 2010. Date of Access 20 October 2010. g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁷⁹⁵ Report to Leaders on the G20 Commitment to Rationalize and Phase Out Inefficient Fossil Fuel Subsidies, Energy Experts Group (Seoul) 11 June 2010. Date of Access: 23 October 2010. g20.org/Documents2010/expert/Report%20to%20Leaders_G20_Inefficient%20_Fossil_Fuel_Subsidies.pdf

⁷⁹⁶ Report to Leaders on the G20 Commitment to Rationalize and Phase Out Inefficient Fossil Fuel Subsidies, Energy Experts Group (Seoul) 11 June 2010. Date of Access: 23 October 2010. g20.org/Documents2010/expert/Report%20to%20Leaders_G20_Inefficient%20_Fossil_Fuel_Subsidies.pdf

⁷⁹⁷ Canada's Energy Future - Reference Case and Scenarios to 2030 - Energy Market Assessment, National Energy Board (Ottawa) 23 July 2010. Date of Access: 23 October 2010. www.neb-one.gc.ca/clf-nsi/rnrgynfmrn/nrgyrprt/nrgyfr/2007/nrgyfr2007chptr3-eng.html

⁷⁹⁸ Report to Leaders on the G20 Commitment to Rationalize and Phase Out Inefficient Fossil Fuel Subsidies, G20 Energy Experts Group (Seoul), 11 June 2010. Date of Access: 23 October 2010. g20.org/Documents2010/expert/Report%20to%20Leaders_G20_Inefficient%20_Fossil_Fuel_Subsidies.pdf

To date, there has been no evidence that the Canadian government has launched efforts to assist Canadians who will be adversely affected by subsidy cuts. According to the Annex to the G20 Initiative on Rationalizing and Phasing Out Inefficient Fuel Subsidies, Canada will continue to review its policies on an ongoing basis to ensure an internationally competitive economic environment, while achieving their aims in an efficient manner.⁷⁹⁹

Because of the Canadian government's compliance with continuing to cut inefficient subsidies and a lack evidence in support of Canada's effort to assist vulnerable groups, Canada has earned a score of 0.

Analyst: Salahuddin Rafiquddin

China: 0

China has partially complied with its commitment to phase out inefficient fossil fuel subsidies while providing aid for vulnerable groups and their development needs.

China's strategy proposes to gradually reduce the urban land use tax relief for fossil fuel producers.⁸⁰⁰ China has "submitted a strategy and timetable for phasing out selected subsidies,"⁸⁰¹ specifically, "one fossil fuel subsidy on the production side."⁸⁰² It "proposes to gradually reduce the urban land use tax relief for fossil fuel producers," though this falls short of the target by USD 43 billion.⁸⁰³

This is the first time China has announced and begun to implement policies aimed at reaching emissions reduction targets.⁸⁰⁴ China will comply with the "originally set plan [by adjusting] the tax relief policy as appropriate, gradually reducing the preferential tax treatment" of the subsidy, thereby phasing it out.⁸⁰⁵

⁷⁹⁹ Report to Leaders on the G20 Commitment to Rationalize and Phase Out Inefficient Fossil Fuel Subsidies, Energy Experts Group (Seoul) 11 June 2010. Date of Access: 23 October 2010. g20.org/Documents2010/expert/Report%20to%20Leaders_G20_Inefficient%20_Fossil_Fuel_Subsidies.pdf

⁸⁰⁰ Annex - G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies, G20 Energy Experts Group (Seoul), 11 June 2010. Date of Access: 21 October 2010. g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸⁰¹ "Phase out fossil-fuel subsidies" The Broker Online. Date of Access: 23 October 2010. <http://www.thebrokeronline.eu/en/Magazine/articles/Phase-out-fossil-fuel-subsidies>

⁸⁰² Houser, Trevor. A Role for the G-20 in Addressing Climate Change? Working Paper Series. <http://www.iie.com/publications/wp/wp10-15.pdf>, page 10.

⁸⁰³ Houser, Trevor. A Role for the G-20 in Addressing Climate Change? Working Paper Series. <http://www.iie.com/publications/wp/wp10-15.pdf>, page 18.

⁸⁰⁴ Houser, Trevor. A Role for the G-20 in Addressing Climate Change? Working Paper Series. <http://www.iie.com/publications/wp/wp10-15.pdf>, page 2.

⁸⁰⁵ Annex: G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies: Implementation Strategies and Timetables. Date of Access: 23 October 2010. http://g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

However, according to the Annex to the G20 Initiative on Rationalizing and Phasing out Inefficient Fuel Subsidies, “urban land tax relief to fossil fuel producers ... does not encourage or dress energy consumption, therefore it does not fall in the category of inefficient fossil fuel subsidies.”⁸⁰⁶

On 9 November 2008 China announced a National Development and Reform Commission Stimulus for 2009-2010 with a “green bill” percentage of 34.3 per cent; on 6 March 2009 it announced its 2009 budget at a “green bill” percentage of 27.3 per cent.⁸⁰⁷ However, it has not specifically “identified any domestic consumption subsidies nor offered a plan for phasing them out.”⁸⁰⁸

China is simultaneously subsidizing ethanol producers and discouraging the use of staple crops for that production — “35 to 75 million hectares of marginal land” is to be used for this production.⁸⁰⁹ It thus remains to be seen whether higher food prices or food shortages result from this policy, which could provide additional strain on vulnerable groups.

China earned a score of 0.

Analyst: Jasmine Hamade

France: +1

France has fully complied with its commitment to phase out inefficient fossil fuel subsidies while providing aid for vulnerable groups and their development needs.

Though France has not forwarded a country-specific plan to phase out fossil fuel subsidies, it has pointed to its extensive efforts in the past toward phasing out subsidies and state support for the domestic production of coal as evidence of its having complied with the spirit of this commitment.

France has traditionally taxed fossil fuels consumption by means of energy taxes, based on the quantity of energy products released for consumption. These taxes help raise revenues, and also contribute in reducing fossil fuel consumption by raising the prices of energy and energy-using goods and services. In 2008, the level of taxation levied on gasoline reached USD1.52 per litre in comparison to the United States’ USD0.56 per litre. There also exist reduced rates of duty in specific sectors in order to preserve their international competitiveness. However, these are well above the minimum levels of taxation fixed by the European Council directive of October 2003 for the taxation of

⁸⁰⁶ Annex: G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies: Implementation Strategies and Timetables. Date of Access: 23 October 2010. http://g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸⁰⁷ Houser, Trevor. A Role for the G-20 in Addressing Climate Change? Working Paper Series. <http://www.iie.com/publications/wp/wp10-15.pdf>, page 19.

⁸⁰⁸ Houser, Trevor. A Role for the G-20 in Addressing Climate Change? Working Paper Series. <http://www.iie.com/publications/wp/wp10-15.pdf>, page 9.

⁸⁰⁹ Global Subsidies Initiative: Biofuel Subsidies in China. Date of Access: 23 October 2010. <http://www.globalsubsidies.org/en/research/biofuel-subsidies-china>

energy products and electricity, as well as that of the European reference price. Hence, these exemptions are not to be regarded as fossil fuel subsidies.⁸¹⁰

France has already undertaken extensive action to reduce subsidies for coal production. The case study on “Reform of subsidies to hard coal mining in France” showed that between 1971 and 2000 the French government spend nearly EUR35 billion in subsidies to restructure its coal sector, partially via the SOFIREM (Société Financière pour favoriser l’Industrialisation des Régions Minières) fund on restructuring the coal sector and Charbonnages de France (CdF). An agreement was reached in 1994 to close all remaining mines, combined with extensive measures to promote alternative economic activity in the affect regions as well as long-lasting measures to protect the interests of former workers. The expansion of nuclear-based electricity generating capacity and the generous provisions offered to the former miners helped making the closure of the last coal mine in 2004 possible.⁸¹¹

Thus, France has merited a score of +1, as it can be considered to have fully implemented its country-specific strategy to phase out inefficient fossil fuel subsidies, while taking into account vulnerable groups and their development need

Analyst: Vanessa Cheng

Germany: +1

Germany has fully complied with its commitment to phase out inefficient fossil fuel subsidies. The German government is on track to implement strategies for phasing out of inefficient fossil fuel subsidies while providing aid for vulnerable groups and their development needs .

Germany’s strategy to phase out inefficient fossil fuel subsidies proposes to discontinue coal mining subsidies in a socially acceptable manner by the end of 2018.⁸¹² Currently, the German Government and the federal state of North Rhine-Westphalia provide producer subsidies for electricity generation, sales to the steel industry, and compensation for burdens due to capacity adjustments.⁸¹³ As a European Union member, coal subsidies are regulated under the EU regulations.⁸¹⁴

⁸¹⁰ Annex G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies Implementation Strategies & Timetables, Energy Experts Group (South Korea) 16 June 2010. Date of Access: 22 October 2010.
g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸¹¹ Annex G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies Implementation Strategies & Timetables, Energy Experts Group (South Korea) 16 June 2010. Date of Access: 22 October 2010.
g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸¹² Annex - G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies, G20 Energy Experts Group (Seoul), 11 June 2010. Date of Access: 21 October 2010.
g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸¹³ Annex - G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies, G20 Energy Experts Group (Seoul), 11 June 2010. Date of Access: 21 October 2010.

Under the 2007 Hard Coal Financing Act, coal subsidies will be run down and subsidized coal mining will be discontinued in a socially acceptable manner by the end of 2018.⁸¹⁵ According to the Annex to the G20 Initiative on Rationalizing and Phasing out Inefficient Fuel Subsidies, coal mining capacities are being reduced as scheduled.

The reform of coal subsidies in Germany is accompanied by extensive communication campaigns as well as significant compensation for displaced workers and support for regional economic development. The German Government has established a foundation to assume the dewatering costs following the cessation of coal mining by selling the mines equity investment assets.⁸¹⁶ Under the Hard Coal Financing Act, those aboveground employees who are 57 in 2022 and those underground employees who are 52 in 2022 will receive further support for another 5 years so that they reach eligibility for early retirement in 2027.⁸¹⁷

Thus, Germany registers a score of +1 for keeping on track in phasing out inefficient fossil fuel strategies while providing support for vulnerable groups and their development needs.

Analyst: Mila Khodskaya

India: -1

India has failed to comply with its commitment to implement its country specific strategy to reduce inefficient fossil fuel subsidies while providing aid for vulnerable groups and their development needs.

India has failed to draft a coherent policy to phase out fossil fuel subsidies. The Dr. Kirit Parikh Committee recommended a number of strategies for rationalizing and phasing out inefficient fossil fuel subsidies, and the Indian government in response created a committee to explore those recommendations. However, no further progress has been

g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸¹⁴ Annex - G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies, G20 Energy Experts Group (Seoul), 11 June 2010. Date of Access: 21 October 2010.

g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸¹⁵ Annex - G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies, G20 Energy Experts Group (Seoul), 11 June 2010. Date of Access: 21 October 2010.

g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸¹⁶ Annex - G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies, G20 Energy Experts Group (Seoul), 11 June 2010. Date of Access: 21 October 2010.

g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸¹⁷ An Evaluation of the Needs for State Aid to the Coal Industry Post 2010, ECORYS Nederland BV (Rotterdam) 9 December 2008. Date of Access: 23 October 2010.

ec.europa.eu/competition/consultations/2009_coal/ecorys_study_annex.pdf

made, and subsidies on two fossil fuels, PDS Kerosene and Domestic LPG, are not included in the purview of any reforms.⁸¹⁸

India has failed to comply with its commitment to implement its country-specific plan to reduce fossil fuel subsidies while taking into account the impact on vulnerable populations, earning it a score of -1.

Analyst: Sarah Ellis

Indonesia: 0

Indonesia has partially complied with its commitment to phase out inefficient fossil fuel subsidies while providing aid for vulnerable groups and their development needs.

Indonesia developed a comprehensive strategy to phase out inefficient fossil fuel subsidies that includes managing the demand side by adopting measures that will reduce fossil fuel energy consumption and by gradually narrowing the gap between domestic and international prices.⁸¹⁹

During 2010, Indonesia's government's strategy includes limiting subsidized fuel users to households, micro businesses, fishery businesses, public transportation and public services; reducing the consumption of fossil fuels by introducing new types of bio-fuel; continuing the conversion program of kerosene to LPG; improving the mechanism for distribution of subsidized fuels to enable the subsidy to be more targeted; intensifying monitoring of the distribution of subsidized fuel, increasing sanctions for misuse, and reforming the fuel business sector administration.⁸²⁰

To this date, little evidence exists that the Indonesian government has been proactive in providing aid to low income households and affected industries. Thus, Indonesia registers a score of 0.

Analyst: Mila Khodskaya

Italy: +1

Italy has complied with its commitment to phase out inefficient fossil fuel subsidies while providing support for vulnerable populations and their development needs.

Italy's strategy aims to continue with expiration of subsidies for certain cogeneration plants and to negotiate on a voluntary basis with private operators of these plants on the

⁸¹⁸ Annex of the G20 Initiative on Rationalizing and Phasing out Inefficient Fuel Subsidies, G20 Energy Experts Working Group (Seoul) 11 June 2010. Date of Access 20 October 2010.
g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸¹⁹ Annex - G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies, G20 Energy Experts Group (Seoul), 11 June 2010. Date of Access: 21 October 2010.
g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸²⁰ Annex - G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies, G20 Energy Experts Group (Seoul), 11 June 2010. Date of Access: 21 October 2010.
g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

timing of their recess from the subsidy scheme.⁸²¹ At the same time, according to the Annex to the G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies, Italy does not have subsidies that lower the price of fossil fuels below international market price levels.⁸²²

Additionally, Italy provides social payments that target vulnerable populations and their development needs.

Thus, Italy registers a score of +1.

Analyst: Mila Khodskaya

Japan: +1

According to the Annex to the G20 Initiative on Rationalizing and Phasing out Inefficient Fuel Subsidies, Japan claims that it has no inefficient fossil fuel subsidies in place that fall under the scope of this commitment.⁸²³

Thus, Japan can be considered to have fulfilled its commitment to phase out inefficient fossil fuel subsidies that encourage wasteful consumption, while taking into account vulnerable groups and their development needs, earning it a score of +1.

Analyst: Hermonie Xie

Korea: +1

Korea has fully complied with its commitment to implement its country specific strategy to reduce inefficient fossil fuel subsidies while taking into account the development needs of vulnerable groups.

According to the Annex to the G20 Initiative on Rationalizing and Phasing Out Inefficient Fuel Subsidies, Korea has devised plans to phase out subsidies to producers of anthracite coal and briquette.⁸²⁴ Subsidies to producers of anthracite coal will be phased out by the end of the year 2010, and subsidies to producers of briquette will be gradually

⁸²¹ Annex of the G20 Initiative on Rationalizing and Phasing out Inefficient Fuel Subsidies, G20 Energy Experts Working Group (Seoul) 11 June 2010. Date of Access 20 October 2010. g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸²² Annex of the G20 Initiative on Rationalizing and Phasing out Inefficient Fuel Subsidies, G20 Energy Experts Working Group (Seoul) 11 June 2010. Date of Access 20 October 2010. g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸²³ Annex of the G20 Initiative on Rationalizing and Phasing out Inefficient Fuel Subsidies, G20 Energy Experts Working Group (Seoul) 11 June 2010. Date of Access 20 October 2010. g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸²⁴ Annex of the G20 Initiative on Rationalizing and Phasing out Inefficient Fuel Subsidies, G20 Energy Experts Working Group (Seoul) 11 June 2010. Date of Access 20 October 2010. g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

phased out before being fully repealed by the year 2020.⁸²⁵ In addition, Korea has included measures that will assist vulnerable groups in adjusting to the absence of production subsidies, in the form of “briquette vouchers to low-income households.”⁸²⁶

The plan to phase out subsidies for coal briquette, devised in 2007, has been implemented by reducing subsidies by a given per cent each year.⁸²⁷ The plan has the added effect of reducing effective demand for coal in Korea, which was previously artificially high due to the subsidized price of coal briquette.⁸²⁸

Korea has fully complied with its commitment to implement its country-specific plan to reduce fossil fuel subsidies, while taking into account the impact on vulnerable populations, earning it a score of +1.

Analyst: Sarah Ellis

Mexico: +1

Mexico has fully complied with its commitment to implement its country specific strategy to reduce inefficient fossil fuel subsidies while providing aid for vulnerable groups and their development needs.

According to the Annex to the G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies, Mexico’s country-specific strategy involves continuing its “current policies, and based on current market conditions, subsidies to gasoline, diesel and LP gas are expected to disappear in the medium term.”⁸²⁹

Mexico has continued to implement its strategies developed four years ago, including its initiatives to increase dependency on renewable energy sources.⁸³⁰ During the Forum for the Regulation of Renewable Energy, the Energy Secretary Georgina Kessel stated that the “methodologies and models of existing contracts were intended to level the competitive field of renewable technologies in conjunction with traditional generation,

⁸²⁵ Annex of the G20 Initiative on Rationalizing and Phasing out Inefficient Fuel Subsidies, G20 Energy Experts Working Group (Seoul) 11 June 2010. Date of Access 20 October 2010. www.g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸²⁶ Annex of the G20 Initiative on Rationalizing and Phasing out Inefficient Fuel Subsidies, G20 Energy Experts Working Group (Seoul) 11 June 2010. Date of Access 20 October 2010. www.g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸²⁷ Subsidies on Briquettes to be Phased out by 2011, Korea Times (Seoul) 23 June 2007. Date of Access 24 October 2010. www.koreatimes.co.kr/www/news/include/print.asp?newsIdx=3379

⁸²⁸ Coal Consumption Plunges in 2007, Korea Times (Seoul) 4 July 2008. Date of Access 24 October 2010. www.koreatimes.co.kr/www/news/include/print.asp?newsIdx=22066

⁸²⁹ G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies (Toronto) July 2010. Date of Access: 20 October 2010. www.g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸³⁰ Las Energías Renovables forman parte de la Visión de Largo Plazo del Sector, Señaló G. Kessel, Secretaria de Energía (México, D.F.) 5 October 2010. Date of Access: 21 October 2010. www.sener.gob.mx/portal/Default.aspx?id=1760

without granting subsidies.”⁸³¹ She also stated that if Mexico continues its current policies clean energy could account for the generation of 35% of energy in 2024.⁸³²

Mexico has begun to implement policies to reduce subsidies to gasoline. Currently the “state-set prices have been climbing this year as the government tries to wean consumers off subsidies.”⁸³³

In order to assess the effects of price increases on poor households the Ministry of Social Development will create a “national urban census of households that consume gasoline, diesel, LP Gas and natural gas.”⁸³⁴ The census is expected to be completed in early 2011; its purpose is to “allow the Government to design and implement well-targeted and focused support programs to compensate poor households for fossil fuel price increases.”⁸³⁵

Therefore, Mexico has received a score of +1 for continuing to implement its country-specific policies to phase-out inefficient fossil fuels, as well as taking steps towards developing a strategy to aid vulnerable groups.

Analyst: Nerin Ali

Russia: 0

Russia has partially complied with its commitment to phase out inefficient fossil fuel subsidies while providing aid to vulnerable groups and their development needs.

According to the Energy Strategy for the Period until 2030, adopted on 13 November 2009, by the end of the first period of Strategy’s implementation (2013-2015) domestic gas and electricity markets will be completely liberalized. The Strategy also supposes development of mechanisms to minimize negative impacts caused by price growth on the most vulnerable groups of energy consumers (first of all, the impacts on household consumers). By 2030 the share of energy resources traded at exchanges is to be no less than 15-20%.⁸³⁶

⁸³¹ Palabras de la Secretaria de Energía, Georgina Kessel, al inaugurar en representación del Presidente Felipe Calderón, el Foro de Regulación de Energías Renovables, organizado por la Comisión Reguladora de Energía (Mexico, D.F.) 5 October 2010. Date of Access: 21 October 2010.

www.sener.gob.mx/portal/Default.aspx?id=1759

⁸³² Las Energías Renovables forman parte de la Visión de Largo Plazo del Sector, Señaló G. Kessel, Secretaria de Energía (México, D.F.) 5 October 2010. Date of Access: 21 October 2010.

www.sener.gob.mx/portal/Default.aspx?id=1760

⁸³³ Mexico September Inflation Up Less Than Expected, Reuters (Mexico City) 7 October 2010. Date of Access 21 October 2010. www.reuters.com/article/idUSN0729510720101007

⁸³⁴ G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies (Toronto) July 2010. Date of Access: 20 October 2010.

www.g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸³⁵ G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies (Toronto) July 2010. Date of Access: 20 October 2010.

www.g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸³⁶ Energy Strategy for 2030, Ministry of Energy 13 November 2009. Date of Access 3 November 2010. minenergo.gov.ru/activity/energostrategy/.

The schedule and procedures for gradual transition to fully liberalized electric energy market is defined by the Government resolution No. 205 of 7 April 2007.⁸³⁷ According to the Resolution from the 1 July 2010 liberalization of the Russian electric power sector has grown to 80 per cent. The Law on Electric Power Sector and the Law on Performance Features of Electric Power Sector provides for free price formation from 1 January 2011. Prices for the household consumers will be regulated by the Russian Federal Service on Tariffs until 2014.⁸³⁸ To protect vulnerable population and industries from sharp price changes in remote and sparsely populated territories the Federal Service maintains regulated pricing in Kamchatka, Sakhalin, Republic of Sakha, Magadan region, Archangelsk oblast, Komi republic and the enclave territory of Kaliningrad oblast.

To this date, little evidence exists that the Russian government has been proactive in providing aid to industries affected by phasing out of inefficient FFS. Thus, Russia registers a score of 0.

Analysts: Irina Grechukhina & Mark Rakhmangulov

Saudi Arabia: +1

According to the Annex to the G20 Initiative on Rationalizing and Phasing Out Inefficient Fuel Subsidies, Saudi Arabia claims that it has no inefficient fossil fuel subsidies in place that fall under the scope of this commitment.⁸³⁹

Saudi Arabia has had a long-standing energy policy to improve the utilization of economic resources with emphasis on rationalization.⁸⁴⁰ Thus, Saudi Arabia can be considered to have fulfilled its commitment to phase out inefficient fossil fuel subsidies that encourage wasteful consumption, while taking into account vulnerable groups and their development needs, earning it a score of +1.

Analyst: Laura Malaquias

South Africa: +1

South Africa has fully complied with its commitment to phase-out its use of fossil fuel subsidies while providing aid for vulnerable groups and their development needs.

According to the Annex to the G20 Initiative on Rationalizing and Phasing Out Inefficient Fuel Subsidies, South Africa does not have inefficient fossil fuel subsidies. However, South Africa has introduced policies to manage energy consumption.

⁸³⁷ Government resolution No. 205 of 7 April 2007, Consultant Plus Russian Law Base 7 April 2007. Date of Access 3 November 2010. base.consultant.ru/cons/cgi/online.cgi?req=doc;base=LAW;n=67530.

⁸³⁸ Liberalisation of Energy Markets Has Grown to 80 per cent, Ministry of Energy 1 June 2010. Date of Access 3 November 2010. minenergo.gov.ru/press/min_news/4196.html.

⁸³⁹ Annex of the G20 Initiative on Rationalizing and Phasing out Inefficient Fuel Subsidies, G20 Energy Experts Working Group (Seoul) 11 June 2010. Date of Access 20 October 2010. g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸⁴⁰ Annex of the G20 Initiative on Rationalizing and Phasing out Inefficient Fuel Subsidies, G20 Energy Experts Working Group (Seoul) 11 June 2010. Date of Access 20 October 2010. g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

South Africa's has introduced a consumer tax that is levied on households and industries using coal generated electricity.⁸⁴¹ The electricity tax of 2c/kWh applies to electricity generated from non-renewables and aims to "reduce wasteful consumption and provide incentives for the deployment of cleaner, more energy efficient technologies in the long term, and in the short term, to assist in demand side management."⁸⁴²

Minister of Energy Dipuo Peters, announced this year that a planning strategy would be developed by the end of this year to outline the processes, systems and structures required for the development of a long-term Integrated Energy Plan (IEP) as envisaged in the National Energy Act 2008. The expected date for the completion of the IEP is 2013.⁸⁴³

On 8 October 2010 the Department of Energy released the Draft Integrated Electricity Resource Plan. The Draft provides for a 30 per cent reduction in carbon emissions as well as localization for renewable technologies.⁸⁴⁴ It also recommends electricity generation from coal to be reduced from the current 90 per cent to 48 per cent in the next twenty years,⁸⁴⁵ The Draft will be receiving citizen's feedback until 10 November 2010.

Increasing electricity prices in South Africa are having a more considerable affect on the lower socio-economic classes than on wealthier households. Those receiving free electricity are also impacted due to inflation levels (0.7 points higher) and the increasing cost of basic goods.⁸⁴⁶

Thus, South Africa registers a score of +1 for taking a proactive stance on managing inefficient fossil fuel energies.

Analyst: Anna Okorokov

Turkey: 0

Turkey has partially complied with its commitment to phase out inefficient fossil fuel subsidies while providing aid to vulnerable groups and their development needs. Turkey's strategy to phase out inefficient fossil fuel subsidies comprises a restructuring

⁸⁴¹ Annex - G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies, G20 Energy Experts Group (Seoul), 11 June 2010. Date of Access: 21 October 2010.

g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸⁴² Annex - G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies, G20 Energy Experts Group (Seoul), 11 June 2010. Date of Access: 21 October 2010.

g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸⁴³ SA's Power Plan for the Future, Energy Matters (South Africa) 20 September 2010. Date of Access: 21 October 2010.

www.graphicmail.co.za/new/viewnewsletter2.aspx?SiteID=18542&SID=14&NewsletterID=205448

⁸⁴⁴ Executive Summary for the Draft Integrated Resource Energy Plan for South Africa 2010 to 2030 IRP 2010, Department of Energy (Pretoria) 8 October 2010. Date of Access: 21 October 2010. www.doe-irp.co.za/content/Executive_Summary_Draft_IRP2010_8Oct2010.pdf

⁸⁴⁵ Electricity Plan Goes Public, Energy Matters (South Africa) 21 October 2010. Date of Access: 21 October 2010.

www.graphicmail.co.za/new/viewnewsletter2.aspx?SiteID=18542&SID=14&NewsletterID=212830

⁸⁴⁶ Power Prices to Hit Service Delivery, fin24 (South Africa) 13 August 2010. Date of Access: 21 October 2010. www.fin24.com/Economy/Power-prices-to-hit-service-delivery-20100813

plan to rationalize the inefficient producer subsidies transferred to a stated-owned hard coal producing enterprise.⁸⁴⁷

The implementation plan for phasing out the inefficient producer subsidies is planned to be achieved with restructuring plan of Turkish Hard Coal Company (TTK). The TTK is a state owned enterprise which produces hard coal. The restructuring study began in 2009 and is continuing with the goal of drafting a strategy to rationalize the subsidies transferred to company and to reorganize TTK so that it operates in an efficient manner.⁸⁴⁸ The restructuring plan is planned to be finalized in 2010 to determine the details of the implementation plan for phasing out the inefficient producer subsidies to TTK, both in medium and long term.⁸⁴⁹

Several emerging countries have also introduced feed-in tariffs renewable portfolio standards, or tradable certificates to support the expansion of renewable-energy-based electricity, including Argentina, Brazil, Chile, China, India, the Philippines and Turkey.⁸⁵⁰

Thus, Turkey receives 0 for initiating action to develop a strategy to phase out inefficient fossil fuel subsidies.

Analyst: Mila Khodskaya

United Kingdom: +1

According to the Annex to the G20 Initiative on Rationalizing and Phasing Out Inefficient Fuel Subsidies, the United Kingdom claims that it has no inefficient fossil fuel subsidies in place that fall under the scope of this commitment.⁸⁵¹

Thus, the United Kingdom can be considered to have fulfilled its commitment to phase out inefficient fossil fuel subsidies that encourage wasteful consumption, while taking into account vulnerable groups and their development needs.

Analyst: Sarah Ellis

⁸⁴⁷ Annex - G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies, G20 Energy Experts Group (Seoul), 11 June 2010. Date of Access: 21 October 2010.

g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸⁴⁸ Annex - G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies, G20 Energy Experts Group (Seoul), 11 June 2010. Date of Access: 21 October 2010.

g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸⁴⁹ Annex - G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies, G20 Energy Experts Group (Seoul), 11 June 2010. Date of Access: 21 October 2010.

g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸⁵⁰ Analysis of the Scope of Energy Subsidies and Suggestions for the G20 Initiative, IEA, OPEC, OECD, World Bank Joint Report (Toronto) 16 June 2010. Date of Access: 23 October 2010.

g20.org/Documents2010/expert/G20_Energy_Subsidy_Joint_Report.pdf

⁸⁵¹ Annex of the G20 Initiative on Rationalizing and Phasing out Inefficient Fuel Subsidies, G20 Energy Experts Working Group (Seoul) 11 June 2010. Date of Access 20 October 2010.

g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

United States: 0

The United States has partially complied with its commitment to eliminate inefficient fossil fuel subsidies while providing aid for vulnerable groups in their development needs.

During the Toronto G20 Leaders' Summit, the United States government committed to eliminating subsidies through a series of legislations that would be passed by Congress.⁸⁵² These legislative reforms were included in President Barack Obama's budget for the 2011 fiscal year.⁸⁵³ As part of the strategy, the United States proposes to eliminate twelve preferential tax provisions related to the production of coal, oil, and natural gas.⁸⁵⁴

The 2011 Budget proposal includes commitments to disallow percentage depletion with respect to oil and gas wells; disallow expensing of intangible drilling costs; increase the amortization period from two to seven years for geological and geophysical expenditures incurred by independent producers in connection with all oil and gas exploration; disallow percentage depletion with respect to coal and other hard mineral fossil fuels; repeal capital gain treatment of coal and lignite, disallow expensing and 60-month amortization of exploration and development costs relating to coal and other hard mineral fossil fuels; repeal the exception from the passive loss rules for working interests in oil and gas properties; allow the deduction for qualified tertiary injectant expenses; repeal the investment tax credit for enhanced oil recovery projects; and repeal the production tax credit for oil and gas.⁸⁵⁵

To date, there is no evidence indicating that Congress has passed legislation based on the administration's budget commitments.

The United States has partially complied with providing funding support for vulnerable groups who struggle with the gradual elimination of fossil fuels. The Home Energy Assistance Program (LIHEAP), which was approved for the 2010 fiscal year, has

⁸⁵² G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies, Energy Experts Group (Seoul) 11 June 2010. Date of Access: 23 October 2010.

g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸⁵³ Department of Energy, Office of Management and Budget (Washington) 1 February 2010. Date of Access: 24 October 2010. www.whitehouse.gov/sites/default/files/omb/budget/fy2011/assets/energy.pdf

⁸⁵⁴ G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies, Energy Experts Group (Seoul) 11 June 2010. Date of Access: 23 October 2010.

g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

⁸⁵⁵ G20 Initiative on Rationalizing and Phasing Out Inefficient Fossil Fuel Subsidies, Energy Experts Group (Seoul) 11 June 2010. Date of Access: 23 October 2010.

g20.org/Documents2010/expert/Annexes_of_Report_to_Leaders_G20_Inefficient_Fossil_Fuel_Subsidies.pdf

provided support to vulnerable families in meeting their energy needs.⁸⁵⁶ Congress will re evaluate the program in November for the 2011 fiscal year.⁸⁵⁷

Because the United States congress has not created legislation, but is in the process of implementing their country-specific strategy to phase out inefficient fossil fuel subsidies, the United States is receiving a score of 0 for this compliance cycle.

Analyst: Salahuddin Rafiquddin

European Union: -1

The European Union has partially complied with its commitment to take steps to mobilize financial resources for vulnerable groups to support the reduction of fossil fuels subsidies.

The European Commission showed plans to retain subsidies for coal through 2023, as current coal regulation, allowing sector-specific state subsidies for hard coal, is set to expire at the end of the year. In the absence of a new framework, the industry would be subject to general EU state aid rules, which would significantly reduce its options for state aid, already applicable to other types of coal such as lignite. The Commission believes that immediate mine closures due to a sudden end in subsidies could result in up to 100,000 jobs lost, flooding regional labour markets with redundant mine workers who risk becoming long-term unemployed. EU executive expects coal subsidies to reach €3.2bn in 2020.⁸⁵⁸

Thus, the European Union has fully implemented its country-specific strategy to phase out inefficient fossil fuel subsidies while providing aid for vulnerable groups with their development needs, earning it a score of -1.

Analyst: Vanessa Cheng

⁸⁵⁶ Fact Sheet, U.S. Department of Health and Human Services (Washington) 23 July 2010. Date of Access: 24 October 2010. www.acf.hhs.gov/programs/ocs/liheap/about/factsheet.html

⁸⁵⁷ FY2011 LIHEAP Action Center, The Campaign for Home Energy Assistance (Washington). Date of Access: 24 October 2010. www.liheap.org/

⁸⁵⁸ EU plans 'transition subsidies' for coal sector, EurActiv (Brussels) 24 June 2010. Date of Access: 22 October 2010. www.euractiv.com/en/energy/eu-plans-transition-subsidies-for-coal-sector-news-495546

Annex I: Selected Commitments

Macroeconomic policy

Commitments

6 – Advanced economies have committed to fiscal plans that will at least halve deficits by 2013 and stabilize or reduce government debt-to-GDP ratios by 2016.”

16 – Advanced deficit countries should take actions to boost national savings while maintaining open markets and enhancing export competitiveness.

17 – Surplus economies will undertake reforms to reduce their reliance on the external demand and focus more on domestic sources of growth.

The G20 Toronto Summit Declaration

International Financial Institutions Reform

Commitment

37 – We called for an acceleration of the substantial work still needed for the IMF to complete the quota reform by the Seoul Summit and in parallel deliver on other governance reforms, in line with commitments made in Pittsburgh.

The G20 Toronto Summit Declaration

Development

Commitment

20 – We will continue to support development financing, including through new approaches that encourage development financing from both public and private sources.

The G20 Toronto Summit Declaration

Finance

Commitment

“We agreed to strengthen financial market infrastructure by accelerating the implementation of strong measures to improve transparency and regulatory oversight of hedge fund, credit rating agencies and over-the-counter derivatives, in an internationally consistent and non-discriminatory way.”

The G20 Toronto Summit Declaration

Food and Agriculture

Commitment

“[We welcome the launch of the Global Agriculture and Food Security Program in fulfillment of our Pittsburgh commitment on food security, an important step to further implement the Global Partnership for Agriculture and Food Security, and invite further contributions. Looking ahead, we commit to exploring innovative, results-based

mechanisms to harness the private sector for agricultural innovation.] We call for the full implementation of the L'Aquila Initiative and the application of its principles.”

The G20 Toronto Summit Declaration

Trade

Commitment

“As such, we renew for a further three years, until the end of 2013, our commitment to refrain from raising barriers or imposing new barriers to investment or trade in goods and services, imposing new export restrictions or implementing World Trade Organization (WTO)- inconsistent measures to stimulate exports.”

The G20 Toronto Summit Declaration

Corruption

Commitment

“We call for the ratification and full implementation by all G20 members of the United Nations Convention against Corruption (UNCAC) and encourage others to do the same.”

The G20 Toronto Summit Declaration

Energy

Commitment

“[We note with appreciation the report on energy subsidies from the IEA, OPEC, OECD and World Bank. We welcome the work of Finance and Energy Ministers in delivering implementation strategies and timeframes, based on national circumstances, for the rationalization and phase out over the medium term of inefficient fossil fuel subsidies that encourage wasteful consumption, taking into account vulnerable groups and their development needs.] We also encourage continued and full implementation of country-specific strategies and will continue to review progress towards this commitment at upcoming summits.”

The G20 Toronto Summit Declaration

Annex II: Macroeconomic Policy — Emerging Deficit Country Compliance on Commitment Made by Advanced Deficit Countries

Commitment

“Advanced deficit countries should take actions to boost national savings while maintaining open markets and enhancing export competitiveness.”

Brazil: +1

Brazil has fully complied with the commitment to boost national savings and maintain open markets while enhancing export competitiveness.

In a speech to São Paulo business leaders on 6 July 2010 President of the Central Bank of Brazil Henrique Meirelles declared that a serious economic challenge facing Brazil was the need to increase domestic savings rates. “We have to stimulate domestic savings in order to enable the country to continue investing in productivity and innovation. Domestic savings will also allow us to maintain government efficiency, develop markets and implement responsible economic policy,” said Meirelles.⁸⁵⁹

On 21 July 2010 the Central Bank of Brazil raised the country’s basic interest rate “Selic” from 10.25% to 10.75%.⁸⁶⁰ However, the executive manager of the National Industrial Confederation Renato da Fonseca warns against simply raising the interest rate in order to deal with weak exports and strong imports. “The Central Bank is using the interest rate to control demand, fearing demand will get out of control. But the industrial sector has not had any problems with demand. The problem is that higher interest rates smother investments and without investments it is supply that is in danger.”⁸⁶¹

According to a statistical release issued by the Brazilian Ministry of Planning on 3 September 2010, gross savings reached R\$ 162.8 billion in the second quarter of 2010, against BRL124.6 billion in the same period of the previous year. The gross savings rate, measured as share of GDP, increased to 18.1% in comparison with 16% as of 2009.⁸⁶²

Despite the growth in gross savings rate, Brazil had a current account deficit of USD5.18 billion in June, which was the worst result for the month of June since 1947. The deficit for the first half of the year was USD23.76 billion, which is almost as much as the current

⁸⁵⁹Meirelles calls for more domestic savings, Agencia Brazil 6 July 2010. Date of Access: 12 September 2010.

agenciabrasil.ebc.com.br/thenewsinenglish?p_p_id=56&p_p_lifecycle=0&p_p_state=maximized&p_p_mode=view&p_p_col_id=column-1&p_p_col_count=1&_56_groupId=19523&_56_articleId=993021

⁸⁶⁰Copom raises the Selic rate to 10.75 percent, Central Bank of Brazil 21 July 2010. Date of Access: 12 October 2010. www.bcb.gov.br/noticias/VisualizacaoNoticia.aspx?cod=2656

⁸⁶¹Growth to be slower in the future, says CNI, Agencia Brazil 29 July 2010. Date of Access: 14 September 2010.

agenciabrasil.ebc.com.br/thenewsinenglish?p_p_id=56&p_p_lifecycle=0&p_p_state=maximized&p_p_mode=view&p_p_col_id=column-1&p_p_col_count=1&_56_groupId=19523&_56_articleId=1008855

⁸⁶²Quarterly National Accounts, Instituto Brasileiro de Geografia e Estatística 3 September 2010. Date of Access: 14 October 2010.

www.ibge.gov.br/english/presidencia/noticias/noticia_visualiza.php?id_noticia=1705&id_pagina=1

account deficit for all of 2009 (USD24.3 billion).⁸⁶³ In August 2010 current account deficit increased to 2.32% of GDP as compared to 1.55% in 2009 and 2.12% in June 2010.⁸⁶⁴

On 27 July 2010, The Brazilian government has established a schedule to reduce import tax on auto parts from 40% to 20% in spring 2011.⁸⁶⁵

On 12 August 2010, the Brazilian government announced a set of actions to support the export sector.⁸⁶⁶ Major measures include the establishment of Agência de Crédito à Exportação do Brasil S.A. — EXIM Brasil (Brazilian Export Credit Agency S.A.), an export credit agency which will centralize and expand the government's efforts in supporting the export sector.⁸⁶⁷ In parallel, the Bank will be the administrator of Fundo Garantidor de Comércio Exterior (FGCE — Foreign Trade Guarantee Fund), an instrument of a private nature which shall be responsible for providing guarantees to the operations of EXIM Brazil.⁸⁶⁸

On 26 August 2010, the Inter-American Development Bank (IDB) and the Brazilian Agency for Export Promotion and Investment (Apex-Brazil) signed an agreement establishing a program to develop and adopt a common strategy for Brazil, Argentina, Uruguay, Paraguay and Chile in the chemical industry with a focus on increasing exports. The program is aimed at creating a consensus on joint action and regulation of trade in chemicals, promoting and facilitating exports.⁸⁶⁹

On 31 August — 1 September 2010, Brazil hosted the second meeting of Encomex Mercosur 2010, which is a Brazilian initiative jointly promoted by the Ministries of

⁸⁶³Current account deficit jumps to \$5.18 billion in June, Agencia Brazil 27 July 2010. Date of Access: 14 September 2010.

agenciabrasil.ebc.com.br/thenewsinenglish?p_p_id=56&p_p_lifecycle=0&p_p_state=maximized&p_p_mode=view&p_p_col_id=column-1&p_p_col_count=1&_56_groupId=19523&_56_articleId=1007392

⁸⁶⁴ Foreign sector data, Central Bank of Brazil 21 September 2010. Date of Access: 12 October 2010.

www.bcb.gov.br/noticias/VisualizacaoNoticia.aspx?cod=2715 Database available at:

www.bcb.gov.br/ftp/NotaEcon/NI201009sei.zip, current account balance in table 25.

⁸⁶⁵ Brazil lowers import tax on auto parts and provides special tax for stadiums modernization, Brazilian Government 10 August 2010. Date of Access: 12 October 2010.

www.brasil.gov.br/news/history/2010/07/29/brazil-lowers-import-tax-on-auto-parts-and-provides-special-tax-for-stadiums-modernization

⁸⁶⁶EXIM Brazil is created to strengthen Brazilian exports, Brazilian Government 12 August 2010. Date of Access: 12 October 2010. www.brasil.gov.br/news/history/2010/05/06/exim-brazil-is-created-to-strengthen-brazilian-exports

⁸⁶⁷ BNDES and Itaú sign the first Exim Automatic agreement, Ministry of Development, Industry and International Trade of Brazil 26 August 2010. Date of Access: 10 October 2010.

www.bndes.gov.br/SiteBNDES/bndes/bndes_en/Institucional/Press/Noticias/2010/20100826_BNDES_Itau_EximAutomatico.html

⁸⁶⁸ EXIM Brazil is created to strengthen Brazilian exports, Brazilian Government 12 August 2010. Date of Access: 12 October 2010. www.brasil.gov.br/news/history/2010/05/06/exim-brazil-is-created-to-strengthen-brazilian-exports

⁸⁶⁹ BID and Apex-Brazil sign an agreement to strengthen exports of the chemical industry, Brazilian Government 26 August 2010. Date of Access: 12 October 2010.

www.brasil.gov.br/news/history/2010/08/26/bid-and-apex-brazil-sign-an-agreement-to-strengthen-exports-of-the-chemical-industry

Development, Industry and Foreign Trade (MDIC), of External Relations (MRE), of Agriculture, Livestock and Food Supply (MAPA); by the Secretariat for Institutional Relations of the Presidency of the Republic (SRI/PR); by the National Confederation of Industry (CNI); and by the Federation of Industries of the State of Rio Grande do Sul (FIERGS). Encomex Mercosur is a venue for networking and business contacts. The event offers seminars, panel discussions, workshops and lectures presented by representatives of the public and private sectors of Brazil, Argentina, Paraguay, Uruguay, and also of Venezuela, a country currently in the process of becoming a full member of the block. The purpose is to foster closer ties between government and private enterprises in the quest for solutions and alternatives for current problems affecting foreign trade and to stimulate regional integration and intra-block trade.⁸⁷⁰

On 16 September 2010, Brazilian Finance Minister Guido Mantega stated that the government can use market intervention by the Central Bank, its Sovereign Fund and taxes to halt the valuation of its national currency. Besides, he outlined the possibility of increasing the government share in the national oil company Petrobras with the aim of reducing dollar inflow in revenue.⁸⁷¹ The government stake in Petrobras increased from 57.5% to 64% on 29 September 2010.⁸⁷²

On 4 October 2010, Minister Mantega announced a rise of 2% to 4% in the Tax over Financial Operations (IOF) for foreign investments in fixed income. The measure aims at preventing further inflow of foreign capital and consequent appreciation of the Brazilian Real against the USD, which would damage the Brazilian exports.⁸⁷³ On 19 October 2010, a further increase from 4% to 6% took place.⁸⁷⁴

Thus, Brazil has taken considerable steps towards boosting national savings and combating current account deficit while maintaining open markets and enhancing export competitiveness. Consequently, it is awarded a score of +1.

Analyst: Polina Arkhipova

⁸⁷⁰ ENCOMEX MERCOSUR, Ministry of Development, Industry and International Trade of Brazil. Date of Access: 10 October 2010. www.encomex.mdic.gov.br/mercosur/index/oque

⁸⁷¹ Government warns it will not permit overvaluation of real, Agencia Brazil 16 September 2010. Date of Access: 14 October 2010.

agenciabrasil.ebc.com.br/thenewsinenglish?p_p_id=56&p_p_lifecycle=0&p_p_state=maximized&p_p_mode=view&p_p_col_id=column-1&p_p_col_count=1&_56_groupId=19523&_56_articleId=1043455

⁸⁷² Government expands its stake in Petrobrás, Agencia Brazil 29 September 2010. Date of Access: 14 October 2010.

agenciabrasil.ebc.com.br/thenewsinenglish?p_p_id=56&p_p_lifecycle=0&p_p_state=maximized&p_p_mode=view&p_p_col_id=column-1&p_p_col_count=1&_56_groupId=19523&_56_articleId=1064358

⁸⁷³ Ministry of Finance announces increase in IOF for foreign investors, Brazilian Government 5 October 2010. Date of Access: 14 October 2010. www.brasil.gov.br/news/history/2010/10/05/ministry-of-finance-announces-increase-in-iof-for-foreign-investors

⁸⁷⁴ Brazil raises taxes to reign in rising real, Brazilian Government 19 October 2010. Date of Access: 21 October 2010. www.brasil.gov.br/news/history/2010/10/19/brazil-raises-taxes-to-reign-in-rising-real

India: -1

There is no information about measures to boost national savings, maintain open markets and enhance export competitiveness taken by the Indian Government during the monitoring period.

Analyst: Arina Shadrikova

Mexico: 0

No facts of Mexico's actions to boost national savings have been registered during the compliance period.

Mexico's central bank announced on 20 August 2010 that it will keep borrowing rates low to help the country recover from recession.⁸⁷⁵

On 15 October 2010 Mexico's central bank extended its longest-ever interest rate pause, saying that inflation will stay below policy makers' forecasts while the economy remains vulnerable to the U.S. slowdown Mexico Central Bank keeps 4.5% rate.⁸⁷⁶

On 17 August 2010 as part of the actions to make the national economy more competitive, Mexican President Felipe Calderón announced 12 additional measures to simplify procedures at the Secretariats of the Economy, Health, and Agriculture.

One of twelve measures is designed to facilitate the export of Mexican products to Europe and Latin America.⁸⁷⁷

Thus, though no actions to boost national savings have been registered during the compliance period, Mexico is awarded a score of 0 for actions aimed at enhancing export competitiveness.

Analyst: Maria Sazonova

South Africa: -1

South Africa has failed to comply with the commitment on macroeconomic policy.

SA policies have been implemented to support growth and increase employment, and extend services to the vulnerable. Additional measures will need to be put in place to encourage investment and increase savings rates. Overall, South Africa remains in a strong fiscal position enjoying comparatively low debt ratios and a sustainable fiscal deficit over the medium-term. Risk aversion and a flight to investment safe havens affect Africa adversely. The lack of private credit sources places more pressure on the public

⁸⁷⁵ www.reuters.com/article/economicNews/idUSN2013740720100820

⁸⁷⁶ www.bloomberg.com/news/2010-10-15/mexico-central-bank-keeps-4-5-rate-to-bolster-demand-amid-tame-inflation.html

⁸⁷⁷ www.mexidata.info/id2781.html

sector as the lender of last resort. It was stressed that the African continent needs both structural and microeconomic reforms.⁸⁷⁸

Pravin Jamnadas Gordhan, Governor of the Bank for South Africa on behalf of the South Africa urged all IMF members to resist the tendency toward protectionism and continue efforts to promote free and fair trade.⁸⁷⁹

In spite of the acknowledgement that South Africa needs structural reforms and additional international assistance for that, no concrete measures to boost national savings, maintain open markets and enhance export competitiveness have been registered during the monitoring period. Thus, South Africa gets a score of -1.

Analyst: Arina Shadrikova

Turkey: +1

Turkey has fully complied with its commitment to balance current account deficit and taken efforts to maintain open markets and enhance export competitiveness.

One of the major issues that the country is facing is declining exports to the EU which is Turkey's major trade partner.⁸⁸⁰ To counter the negative effects of the crisis and maintain fast recovery in the domestic demand Turkey has started to explore alternative markets for its exports and enhance export competitiveness.

On 3 September 2010, Finance Minister Mehmet Şimşek said Turkey would be able to take control of its current account deficit (CAD) in three to five years because of its sound macroeconomic foundation. "In the mid-term, we are in an effort of fixing Turkey's CAD. Differentiating energy resources, focusing on domestic energy production and providing extra incentives in the fields where the foreign trade deficit is high will be instrumental," he said.⁸⁸¹

On 12 July 2010, Foreign Trade Minister Zafer Çağlayan presented a new export-oriented production strategy. The strategy is currently being prepared to reconsider the structure of Turkish exports, which is dominated by low-tech and fairly low-tech products. Medium-high-tech sectors will be supported to manufacture higher value-added

⁸⁷⁸ Statement by the Hon. Pravin Jamnadas Gordhan, Governor of the Bank for South Africa, Press Release No. 48, International Monetary Fund 8 October 2010. Date of Access: 12 October 2010. www.imf.org/external/am/2010/speeches/pr48e.pdf

⁸⁷⁹ Statement by the Hon. Pravin Jamnadas Gordhan, Governor of the Bank for South Africa, Press Release No. 48, International Monetary Fund 8 October 2010. Date of Access: 12 October 2010. www.imf.org/external/am/2010/speeches/pr48e.pdf

⁸⁸⁰ Turkey: UE Bilateral Trade and Trade With the World, Directorate-General for Trade (European Commission) 19 July 2010. Date of access: 8 September 2010. trade.ec.europa.eu/doclib/html/113456.htm

⁸⁸¹ Şimşek: Turkey able to finance CAD in mid-term, Today's Zaman 3 September 2010. Date of access: 9 September 2010. www.todayszaman.com/tz-web/news-220826-simsek-turkey-able-to-finance-cad-in-mid-term.html

goods, he explained. The production capacity of medium-high-tech sectors will be boosted, while investments in hi-tech sectors will also be encouraged.⁸⁸²

Turkish Government continued to strengthen relations with Africa, Asia, and the rest of the world. Turkey agreed to cooperate and boost foreign trade with India and CIS countries,⁸⁸³ Syria,⁸⁸⁴ Indonesia,⁸⁸⁵ Iraq,⁸⁸⁶ Russia,⁸⁸⁷ China⁸⁸⁸ and other countries. On 1 August 2010, Foreign Ministers of Turkey, Syria, Jordan and Lebanon decided to set up “Close Neighbors Economic and Trade Partnership Council (CNETAC).” This is the first step to establish a free trade zone among the four countries as agreed in June 2010.⁸⁸⁹

Turkey’s State Minister for Foreign Trade Zafer Çağlayan announced that Turkey and Canada were going to start negotiations on free trade agreement on 19-20 October 2010.⁸⁹⁰ On 4 October 2010 the New York Governor’s Office and the İstanbul Chamber of Commerce decided to develop trade and investments between the US and Turkey, particularly between New York and İstanbul.⁸⁹¹

To balance its CAD Turkey seeks to reduce reliance on imports. This is more appropriate for Turkey as emerging country with growing (but still relatively low) consumption than boosting savings. On 9 September 2010, following the remark by the Turkish Statistics Institute’s that Turkey’s soaring foreign trade deficit stemmed mainly from its heavy

⁸⁸² Turkey to raise share of hi-tech products in exports with new strategy, Today’s Zaman 13 July 2010. Date of access: 8 September 2010. www.todayszaman.com/tz-web/news-215895-turkey-to-raise-share-of-hi-tech-products-in-exports-with-new-strategy.html

⁸⁸³ India-Turkey-CIS Business Forum, Ministry of Industry and Commerce of Turkey 26 August 2010. Date of access: 8 September 2010. www.sanayi.gov.tr/NewsDetails.aspx?newsID=1193&lng=en

⁸⁸⁴ 57th Damascus International Fair, Export Promotion Centre of Turkey 23 July 2010. Date of access: 8 September 2010.

www.igeme.org.tr/english/fairs/fairReport.cfm?haberkodu=1000769&sec=fiar&YIL=2010

⁸⁸⁵ Turkey, Indonesia aim to reach trade volume of \$10 bln , Today’s Zaman 30 June 2010. Date of access: 8 September 2010. www.todayszaman.com/tz-web/news-214671-turkey-indonesia-aim-to-reach-trade-volume-of-10-bln.html

⁸⁸⁶ www.todayszaman.com/tz-web/news-214750-trade-volume-with-northern-iraq-to-reach-20-billion.html

⁸⁸⁷ Russian, Turkish businesses vow to boost trade ties, Today’s Zaman 6 October 2010. Date of access: 13 October 2010. www.todayszaman.com/tz-web/news-223575-russian-turkish-businesses-vow-to-boost-trade-ties.html

⁸⁸⁸ Turkey targets \$50 bln China trade by 2015, Today’s Zaman 8 October 2010. Date of access: 13 October 2010. www.todayszaman.com/tz-web/news-223828-turkey-targets-50-bln-china-trade-by-2015.html

⁸⁸⁹ First step taken to establish free trade zone among Turkey, Syria, Jordan and Lebanon, Today’s Zaman 1 August 2010. Date of access: 9 September 2010. www.todayszaman.com/tz-web/news-217809-first-step-taken-to-establish-free-trade-zone-among-turkey-syria-jordan-and-lebanon.html

⁸⁹⁰ Turkey, Canada to launch free trade agreement talks, Today’s Zaman 14 September 2010. Date of access: 13 October 2010. www.todayszaman.com/tz-web/news-221621-turkey-canada-to-launch-free-trade-agreement-talks.html

⁸⁹¹ İstanbul, New York work together to improve mutual trade, Today’s Zaman 5 October 2010. Date of access: 13 October 2010. www.todayszaman.com/tz-web/news-223513-istanbul-new-york-work-together-to-improve-mutual-trade.html

dependence on foreign supplies of oil and natural gas,⁸⁹² the Energy and Natural Resources Ministry announced its intention to tender USD20 billion worth of renewable energy licenses over the course of four years.⁸⁹³

Though low domestic savings is often being pointed out as one of the main reasons for Turkey's CAD,⁸⁹⁴ nothing has been done to address this issue. However Turkey took other decisive actions towards a more balanced and open foreign trade, so it was given a score of +1.

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⁸⁹² Energy dependency major cause for Turkey's trade deficit, Today's Zaman 6 September 2010. Date of access: 9 September 2010. www.todayszaman.com/tz-web/news-221041-energy-dependency-major-cause-for-turkeys-trade-deficit.html

⁸⁹³ Turkey foresees \$20 billion renewable energy licensing in four years, Today's Zaman 9 September 2010. Date of access: 9 September 2010. www.todayszaman.com/tz-web/news-221347-turkey-foresees-20-billion-renewable-energy-licensing-in-four-years.html

⁸⁹⁴ OECD urges Turkey to push ahead with structural changes, Hurriyett Daily News 15 September 2010. Date of access: 17 October 2010. www.hurriyettailynews.com/n.php?n=occd-urges-turkey-to-push-ahead-with-structural-changes-2010-09-15

Annex III: Macroeconomic Policy — European Union Compliance

European Union

As the EU does not have its current accounts and includes member-states with both deficit and surplus current accounts, measures facilitating implementation of national reforms and creating conditions for balancing current accounts will be registered as compliance for the EU. EU member-states compliance will be assessed using scoring according to the state of national current accounts (deficit or surplus).

Scoring for the European Union

-1	EU does not take WTO-compliant measures to help its deficit member-states balance their current accounts AND does not take WTO-compliant measures to help its surplus member-states balance their current accounts.
0	EU takes WTO-compliant measures to help its deficit member-states balance their current accounts OR takes WTO-compliant measures to help its surplus member-states balance their current accounts.
+1	EU takes WTO-compliant measures to help its deficit member-states balance their current accounts AND takes WTO-compliant measures to help its surplus member-states balance their current accounts.

European Union: +1

The EU has fully complied with the commitment on macroeconomic policy.

On 30 June 2010 the Commission approved the Communication presenting a set of tools to effectively strengthen the preventive and the corrective arms of the Stability and Growth Pact, extend surveillance to macro-economic imbalances and enforce effectively economic surveillance through appropriate sanctions and incentives.⁸⁹⁵ The Commission will assess performance against that of main (international) trading partners and examine the underlying reasons in case of insufficient progress. The judgement takes into account a range of parameters: the degree of closeness of the debt ratio to the 60%-of- GDP reference value and whether the debt is temporary and/or exceptional; and other relevant factors such as the maturity structure and currency denomination of debt; guarantees to corporations, financial institutions and households; accumulated reserves and other government assets; implicit liabilities, notably related to ageing; the level and change in private debt, to the extent that it may represent an implicit liability for the government; the factors behind debt change (primary balance, inflation, growth, interest rates, one-offs); and stock-flow operations.⁸⁹⁶

⁸⁹⁵ A toolbox for stronger economic governance in Europe, MEMO/10/288 European Commission 30 June 2010. Date of Access: 12 October 2010.

europa.eu/rapid/pressReleasesAction.do?reference=MEMO/10/288

⁸⁹⁶ Communication from the Commission to the European Parliament, the European Council, the Council, the European Central Bank, the European Economic and Social Committee and the Committee of the Regions: Enhancing economic policy coordination for stability, growth and jobs – Tools for stronger EU economic governance, COM(2010) 367/2 European Commission 30 June 2010. Date of Access: 12 October 2010. ec.europa.eu/economy_finance/articles/euro/documents/com_2010_367_en.pdf

On 13 July 2010 the Council of the European Union adopted the Recommendation on Broad Guidelines for the Economic Policies of the Member States and of the Union. According to this Council Recommendation all the Member States should take into account in their economic policies the guidelines set out. The Member States with large current account imbalances rooted in a persistent lack of competitiveness or due to other reasons should address the underlying causes by acting, for example, on fiscal policy, on wage developments, on structural reforms relating to product and financial services markets (including the flow of productivity enhancing capital), on labour markets, in line with the employment guidelines, or on any other relevant policy area. Member States whose currency is the euro should regard large and persistent divergences in current account positions and other macroeconomic imbalances as a matter of common concern and take urgent action to reduce the imbalances where necessary. These euro area Member States should also aim to reduce unit labour costs taking into account productivity developments at regional, sector and company level, and enhance competition in product markets. The Member States with large current account surpluses should pursue measures aimed at implementing structural reforms conducive to strengthening potential growth and thereby also underpinning domestic demand.⁸⁹⁷

On 16 September 2010 the European Council welcomed the development of a new macro-surveillance framework to monitor and correct unsustainable competitiveness divergences and imbalances in timely manner. It should also serve to send a clear signal on the need to conclude the WTO DDA negotiations and implement the Framework for Strong, Sustainable and Balanced Growth.⁸⁹⁸

On 29 September 2010 the Commission adopted a package of legislative proposals to provide the framework for identifying and addressing macroeconomic imbalances, including deteriorating competitiveness trends. It includes 4 elements: the Alert Mechanism through a scoreboard complemented by expert analysis, the preventive surveillance based on discussions with MS and in-depth reviews drawing a list of Member States deemed at risk of imbalances, the excessive imbalance procedure (EIP) applying to EU Member States to take corrective action within a specified deadline upon the Council decision and an enforcement mechanism for the Euro area members. Possible indicators would most likely include both external (e.g. current accounts, real effective exchange rates) and internal ones (e.g. private and public sector debt). The Commission proposed to further extend the reach of the enforcement procedure of the Excessive Imbalances Procedure (EIP) and allowed for financial sanctions for the euro area Member States.⁸⁹⁹

⁸⁹⁷ Council Recommendation of 13 July 2010 on broad guidelines for the economic policies of the Member States and of the Union, 2010/410/EU, **Official Journal of the European Union L191 23 July 2010. Date of Access: 12 October 2010.**

www.lex.unict.it/eurolabor/en/documentation/altridoc/actscouncil/recommendation410-10.pdf

⁸⁹⁸ Conclusions of the European Council – 16 September 2010, EUCO 21/1/10 REV 1 European Council 12 October 2010. Date of Access: 14 October 2010.

www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/116547.pdf

⁸⁹⁹ Economic governance package (2): Preventing and correcting macroeconomic imbalances, MEMO/10/454 European Commission 29 September 2010. Date of Access: 12 October 2010.

On 21 October 2010, the Task Force report on strengthening economic governance in the EU was submitted to the European Council. It proposes measures for the EU member states with current account imbalances.⁹⁰⁰

The EU has taken measures facilitating implementation of national reforms and creating conditions for balancing current accounts for both deficit and surplus economies and gets the score of +1 for the fulfillment of the commitment.

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europa.eu/rapid/pressReleasesAction.do?reference=MEMO/10/454&format=HTML&aged=0&language=EN&guiLanguage=en

⁹⁰⁰ Strengthening Economic Governance in the EU. Report of the Task Force to the European Council, European Council 21 October 2010. Date of Access: 3 November 2010. www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/117236.pdf.