Professor John Kirton, Dr. Ella Kokotsis, Vanessa Corlazzoli, Mike Varey, Aaron Raths, Laura Sunderland and the G8 Research Group
<www.g8.utoronto.ca>
g8@utoronto.ca
Contents

Executive Summary ii
Preface v
Contributors vi
Special Considerations viii

Introduction 1
  Table A: 2005 Gleneagles Final Compliance Scoresa 5
  Table B: G8 Compliance by Country, 1996-2005 6
  Table C: G8 Compliance by Issue, 1996-2005 7

Commitments
  Peacekeeping 10
  Good Governance 21
  Health: HIV/AIDS 35
  Health: Polio Eradication 43
  Official Development Assistance 49
  Debt Relief: Africa 58
  Promoting Growth: Africa 66
  Education: Africa 79
  Trade: Africa 88
  Trade: Market Access and Export Subsidies 97
  Trade: Least Developed Countries 110
  Middle East Reform 121
  Debt Relief: Iraq 135
  Sudan 141
  Terrorism 150
  Non-proliferation 161
  Transnational Crime 171
  Renewable Energy 185
  Climate Change 203
  Tsunami 217
  Surface Transportation 224

Appendices
  A Priority Commitments: 2005 Gleneagles Summit 237
  B Interpretive Standards for Middle East Reform 241
  C Sponsors 245
Executive Summary

Since the Gleneagles Summit on July 6-8, 2005, G8 members have complied with their 21 priority commitments +65% of the time, as assessed on a scale from −100% to +100%.\(^1\) Gleneagles thus scores higher than any other summit in the past decade with the exception of the 2000 Okinawa Summit. Compliance with the Gleneagles commitments has increased by +18% since the G8 presidency passed from the United Kingdom to Russia at the start of 2006. Compliance with these Gleneagles commitments one year later is now +10% higher than compliance with the comparable commitments made at the 2004 Sea Island Summit.

The greatest compliance with the Gleneagles commitments comes from the United Kingdom with a score of +95%. Second is the EU with a score of +89%, followed by Germany with a score of +88%. Tied for fourth are the United States and Canada, each scoring +81%. They are followed in turn by France at +57%, Japan at 52% and Italy at +29%. Russia, on the evidence currently available, comes in at a score of at least +0.14%.\(^2\) All G8 members have thus clearly complied positively with their Gleneagles commitments.

Since the start of 2006, Germany has jumped by 55 percentage points (based on the G8 Research Group’s Interim Compliance Report published in February 2006). Its high score, as well as that for the UK and the rising score for Russia, confirms the “hosting effect” — that compliance tends to be higher for the country that has just hosted a summit as well as the next countries in the hosting rotation, as Germany will host in 2007. Since the beginning of 2006, the compliance score of Canada is up 29 percentage points, the UK up 28, the EU up 14, the U.S. up 10 and France up 9. Japan’s score is unchanged from the interim period. Russia, which scored a -14% at the interim point is in the positive range for the final report with a score of at least +14. This represents a rise of 28 points since it assumed its responsibilities as host. Italy, although still in the positive range, is the only country whose score has dropped from January 2006, down by 14 percentage points.

Seven of the 21 commitments have a perfect compliance score of +100%: renewable energy, debt relief for Africa, Middle East reform, transnational crime, terrorism, non-proliferation and assistance for tsunami relief efforts. In January 2006, only three had a perfect compliance score: renewable energy, Middle East reform and climate change.

A compliance score of +89% comes on commitments to support the African Union’s mission in Sudan and for commitments relating to tackling climate change at the United Nations. They are followed by reducing Iraq’s debt with a score of +88%. Scoring +67% each are commitments to provide additional resources for Africa’s peacekeeping forces and to develop cleaner, more efficient and lower emitting vehicles (surface transportation). Below average scores come from raising agricultural productivity at +56%. Scoring +44% are addressing products of interest to least developed countries (LDCs) in trade negotiations. Also scoring below average at 33% are

\(^1\) A complete methodological explanation is available from the University of Toronto G8 Information Centre at www.g8.utoronto.ca/g7/evaluations/methodology/g7c2.htm.

\(^2\) In its evaluation of Russian compliance, the G8 Research Group is assisted by the new State University Higher School of Economics (SU-HSE) G8 Research Team, composed of analysts from SU-HSE and the Moscow State Institute of International Relations (MGIMO).
initiatives aimed at meeting the funding needs for HIV/AIDS through the Global Fund to Fight AIDS, Tuberculosis and Malaria, to support the Education for All initiative and commitments aimed at supporting a comprehensive set of actions to raise agricultural productivity in Africa. Also below average are scores for ratifying the UN Convention Against Corruption at +25, agreements to double aid to Africa at +22% and efforts aimed at eradicating polio at +11%. Commitments to reduce trade-distorting domestic agricultural subsidies in Africa are the only issue area with a score 0. There are no scores in the negative range.

Rising sharply from their 2004 Sea Island record are the political security issues of terrorist financing, transnational crime, non-proliferation and Middle East reform, all with perfect compliance scores since Gleneagles. Also rising sharply to achieve perfect scores are debt relief, renewable energy and tsunami relief efforts. This trend suggests the Gleneagles Summit delivered strongly on its priority themes of African development and climate change.

The individual and overall scores by country and by issue are reproduced on the following page.
## 2005 Gleneagles Final Compliance Scores

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Notes: ODA = official development assistance; LDCs = least developed countries.

* The average score by issue is the average of all countries’ compliance scores for that issue. The average score by country is the average of all issue scores for a given country. The overall compliance average is an average of the overall issue average and overall country average. N/A indicates insufficient information has been obtained to assess the compliance outcome and thus no compliance score is awarded; such scores are excluded from the average.
Preface

Each year since 1996, the G8 Research Group has produced a compliance report on the progress made by the G8 member countries in meeting the commitments issued at each leaders’ summit. Since 2002, the group has published an interim report, timed to assess progress at the transition between one country’s year as host and the next, and then a final report issued just before the leaders meet at their annual summit. These reports, which monitor each country’s efforts on a carefully chosen selection of the many commitments announced at the end of each summit, are offered to the general public and to policy makers, academics, civil society, the media and interested citizens around the world in an effort to make the work of the G8 more transparent and accessible, and to provide scientific data to enable meaningful analysis of this unique and informal institution. Compliance reports are available at the G8 Information Centre at <www.g8.utoronto.ca/compliance>.

The G8 Research Group is an independent organization based at the University of Toronto. Founded in 1987, it is an international network of scholars, professionals and students interested in the activities of the G8. The group oversees the G8 Information Centre, which publishes, free of charge, analysis and research on the G8 as well as makes available official documents issued by the G8.

For the 2005 Final Compliance report, 21 priority commitments were selected from the 212 commitments made at the Gleneagles Summit, hosted by the United Kingdom from July 6 to 8, 2005. This final report assesses the results of compliance with those commitments as the leaders prepare to meet, for the first time with Russia as host, in St. Petersburg from July 15 to 17, 2006.

To make its assessments, the G8 Research Group relies on publicly available information, documentation and media reports. In an ongoing effort to ensure the accuracy, integrity and comprehensiveness of these reports, we encourage comments and suggestions. Indeed, we are most grateful to the many individuals from various communities who responded to our invitation to contribute to the Interim Compliance Report published in February 2006 and the Final Compliance Report published in June 2006.

Any feedback remains anonymous and would not be attributed. Responsibility for this report’s contents lies exclusively with the authors and analysts of the G8 Research Group.

The work of the G8 Research Group would not be possible without the dedication of many people around the world. In particular, this report is the product of a team of energetic and hard-working analysts directed by Vanessa Corlazzoli, chair of the student executive, as well as Mike Varey and Aaron Raths, with the support of Dr Ella Kokotsis, Director of Analytical Research, and Laura Sunderland, Senior Researcher.

John Kirton
Director
G8 Research Group
Toronto, Canada
### Contributors

Professor John Kirton, Director  
Dr. Ella Kokotsis, Director of Analytical Research  
Vanessa Corlazzoli, Chair  
Aaron Raths, Co-Chair, Compliance  
Mike Varey, Co-Chair, Compliance  
Laura Sunderland, Senior Researcher

#### Team Leaders

<table>
<thead>
<tr>
<th>Team Leader</th>
<th>Mike Lehan</th>
<th>Adam Sheikh</th>
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<tr>
<td>Mary Albino</td>
<td>Stanislav Orlov</td>
<td>Barbara Tassa</td>
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<td>Chris Collins</td>
<td>Sadia Rafiquddin</td>
<td>Mike Varey</td>
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<td>Laura Hodgins</td>
<td>Aaron Raths</td>
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<td>Susan Khazaeli</td>
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<td>Brian Kolenda</td>
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#### Analysts

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<tr>
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<th>My-Hanh Hoang</th>
<th>Jennifer Hodgins</th>
<th>Sahski Mehta</th>
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<td>Johannes Bast</td>
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<td>Eugene Berezovsky</td>
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<td>April Cadeau</td>
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<td>Claire Chow</td>
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<td>Raluca David</td>
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<td>Keith Dellaquilla</td>
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<td>Kyle D’Souza</td>
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<td>Melissa Fourage</td>
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<td>Emilie Gelinas</td>
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<td>André Ghione</td>
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<td>Ioana Hancas</td>
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<td>Benita Hansraj</td>
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<td>Andrew Harder</td>
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Editing Committee
Brian Kolenda
Héloïse Apestéguy-Reux
Julia Muravska

State University Higher School of Economics G8 Research Team
Professor Marina Larionova, Vice Rector
Katya Gorbunova, Senior Researcher
Elena Bylina
Natalia Churkina
Maria Kaloshkina
Olga Minenkov
Yulay Sultanov
Special Considerations

In evaluating the results of this report, the following considerations should be kept in mind.

• Compliance has been assessed against a selected set of priority commitments, rather than all commitments the last summit produced. The priority commitments selected were not randomly chosen but identified according to a disciplined and systematic process intended to produce a representative subset of the total according to such dimensions as issue areas, ambition, specified time for completion, instruments used and, more generally, the degree of precision, obligation and delegation of each. The aim is to provide a comprehensive portrait of the compliance performance of the summit as a whole. As such, the individual commitments selected cannot in all cases claim to be the most important ones in their appropriate issue area, nor do they necessarily represent that issue area lodged.

• In addition to the specific commitments assessed here, summits have value in establishing new principles in normative directions, in creating and highlighting issue areas and agenda items, and in altering the publicly allowable discourse used. Furthermore, some of the most important decisions reached and consensus forged at summits may be done entirely in private and not encoded in the public communiqué record.

• Some commitments inherently take longer to be complied with than the time available between one summit and the next.

• In some cases, it may be wise not to comply with a summit commitment, if global conditions have dramatically changed since the commitment was made or if new knowledge has become available about how a particular problem can best be solved.

• As each of the member countries has its own constitutional, legal and institutional processes for undertaking action at the national level, each is free to act in particular cases on a distinctive national time scale. Of particular importance here is the annual cycle for the creation of budgets, legislative approval and the appropriation of funds.

• Commitments encoded in the G8 communiqué may also be encoded precisely or partially in communiqués from other international forums, the decisions of other international organizations, or even national statements such as the State of the Union Address in the U.S., the Queen’s Speech in the UK and the Speech from the Throne in Canada. Without detailed process-tracing, it cannot be assumed that compliant behaviour on the part of countries is fully caused by the single fact of a previous G8 commitment.

• Compliance here is assessed against the precise, particular commitments made by the G8, rather than what some might regard as necessary or appropriate action to solve the problem being addressed.

• With compliance assessed on a three-point scale, judgements inevitably arise about whether particular actions warrant the specific numerical value assigned. As individual members can sometimes take different actions to comply with the same commitment, no standardized cross-
national evaluative criterion can always be used. Comments regarding the judgements in each case, detailed in the extensive accompanying notes, are welcome (see below).

• Because the evaluative scale used in this compliance report runs from –100 percent to +100 percent, it should assumed that any score in the positive range represents at least some compliance with the specific commitments made by the G8. It is not known if commitments in other international forums or at the national level on occasions such as the State of the Union Address, Queen’s Speech or Speech from the Throne, etc., are complied with to a greater or lesser degree than the commitments made by the G8.

• It may be that commitments containing high degrees of precision, obligation and delegation, with short specified timetables for implementation, may induce governments to act simply to meet the specified commitment rather than in ways best designed to address core and underlying problems over a longer term.

• In some cases, full compliance by all members of the G8 with a commitment is contingent on co-operative behaviour on the part of other actors.

• Although G8 Research Group analysts have made an exceptional effort to seek relevant information on Russia, credible commentary on the preliminary draft of this report suggests that information herein about the compliance-related activity of the Russian Federation remains incomplete. The greater such incompleteness, the lower the Russia’s scores would likely be as a result.
Introduction

In February 2006, the University of Toronto’s G8 Research Group completed its fourth Interim Compliance Report based on results of the 2005 Gleneagles Summit between June 2005 and January 2006. The interim report assessed the compliance results mid-way through the summit’s annual cycle, offering preliminary observations based on the interim findings following the transition in the hosting rotation from the United Kingdom to Russia.

The University of Toronto G8 Research Group’s Final Compliance Report extends the reporting period to June 2006. It thus monitors G8 members’ compliance with their priority commitments made at the Gleneagles Summit, which took place on July 6-8, 2005, for the full year. A summary of the final compliance scores is listed in Table A, with individual analytical assessments by country and issue area in the sections that follow.

This report spans a record 21 priority issue areas, including those identified by the Russian Federation as their key issues for the St. Petersburg Summit: global energy security (with commitments on renewable energy and climate change), infectious diseases (covering commitments on HIV/AIDS and polio eradication) and education (particularly in Africa).

The Overall Final Compliance Scores

From the time of the conclusion of the Gleneagles Summit in July 2005 to the lead-up to the St. Petersburg Summit in June 2006, the final compliance results reveal that G8 members (plus the European Union) complied with their 21 priority commitments 65% of the time (see Table A). This average is based on a scale whereby 100% equals perfect compliance and –100% means that the member governments are either non-compliant or are, in fact, doing the opposite of what they committed to.3

This overall final compliance score of 65% for Gleneagles indicates a compliance increase of 18% since the release of the interim Gleneagles report earlier this year, as well as an increase of 10% since the release of the Sea Island final compliance report from one year ago. This score also falls on the high end of compliance historically, as only post-Okinawa in 2000 were the G8 leaders able to achieve higher overall compliance results than at Gleneagles (see Table C).

Compliance by Country

Marking a shift from the interim compliance report, the United Kingdom has surpassed the United States, becoming the highest complying G8 country across the 21 priority commitments with a score of 95%. Second is Germany, showing the most significant increase, jumping from 33% in the interim to 88% in the final. Following closely behind is the United States with a score of 81.4 The high scores for both the United Kingdom and Germany are consistent with earlier findings that reveal that compliance scores tend to be highest by those countries that have just hosted a summit as well as those next in the hosting rotation. With Germany assuming the

3 A complete methodological explanation is available from the University of Toronto G8 Information Centre at www.g8.utoronto.ca/g7/evaluations/methodology/g7e2.htm.
4 The EU scores 89%, placing it just below the United Kingdom in aggregate terms.
hosting rotation after Russia in 2007, these scores point to a Germany preparing to assume its role as G8 summit host.

Moving up from 52% and placing in the third tier (and above the median) is the typically high-ranking Canada, with a compliance score of 81%. Also moving up considerably from its lower place standings in previous reports is France, with a score of 57%. Tied with its score from the interim period is Japan at 52%. The traditionally weak Italy dropped from a respectable 43% in the interim report to 29% in the final. Russia, on the other hand, being the only summit country to score in the negative range at the interim mark, has secured a score in the positive range, at 14%. Although varying considerably in range, all summit countries complied positively overall with their Gleneagles commitments.

The Compliance Gap by Country

Although consistent with the interim report, the compliance gap between the highest and lowest complying summit members remains exceptionally high at 81% (95% for the UK and 14% for Russia). These numbers suggest that those countries on the lower end of the compliance performance spectrum either tend to decrease or stay within their earlier range as the year progresses, whereas those countries on the higher end of the performance spectrum from the outset tend to produce even better compliance results as time lapses and the next summit approaches.

Compliance by Issue Area

Compliance also varies considerably by issue area, as it did in the interim report. Of the 21 priority commitments assessed, 7 issues score perfect compliance: debt relief for Africa, Middle East reform, renewable energy, transnational crime, terrorism, non-proliferation and assistance for tsunami relief efforts. This marks a considerable increase from the interim report where three issue areas scored perfect compliance (Middle East reform, climate change and renewable energy).

On the Middle East, perfect compliance reflects the leaders’ commitment to stimulate a global financial contribution of up to US$3 billion per year over the coming three years for the region.

On renewable energy, perfect compliance reflects the leaders’ commitment to develop markets for clean energy technologies, increase their availability in the developing world and help vulnerable communities adapt to the impact of climate change.

On transnational crime, the leaders collectively agreed to fully implement their efforts at reducing substantially global trade in pirated and counterfeit goods and effectively combating the transnational networks that support it through shared risk analysis and enhanced cooperation at international borders.
Perfect compliance on the issue of terrorism marked the G8’s commitment to improve the sharing of information on the movement of terrorists across international borders.\(^5\)

The leaders also fully complied with their commitment to mobilize US$20 billion over ten years for non-proliferation initiatives.

On tsunami relief, the leaders collectively fulfilled their commitments to support the UN on post-tsunami humanitarian aid and reconstruction as well as work to reduce the risk from future disasters.

Compliance is also well above the median on commitments to support the African Union’s mission in Sudan, scoring a respectable 89%.

Advancing global efforts to tackle climate change at the United Nations fall from a perfect compliance score at the interim mark to 89% in the final (as Italy’s score goes from a 100% to 0, marking a work in progress).

One of the most significant improvements from the interim period is the commitment to reduce Iraq’s debt by implementing the terms of the November 2004 Paris Club agreement, jumping from 25% in the interim to 88% in the final.

Scoring just slightly above the median at 67% and tying are commitments on the provision of additional resources for Africa’s peacekeeping forces and the initiative aimed at the development of cleaner, more efficient and lower emitting vehicles (surface transportation).

Commissions aimed at supporting a comprehensive set of actions to raise agricultural productivity (see Promoting Growth: Africa) scores 56%.

Scoring 44% and showing some movement since the interim report are commitments to address products of interest to least developed countries (LDCs) in trade negotiations.

One of the summit’s priority themes for St. Petersburg — infectious diseases — secures a score of 33% for its pledge to meet the funding needs for HIV/AIDS through the replenishment of the Global Fund to Fight AIDS, Tuberculosis and Malaria. Although well below the median, this represents an increase of 11% from the interim score.

Tied also at 33% are commitments in support of the Education for All initiative as well as support for a comprehensive set of actions to raise agricultural productivity in Africa.

Commitments aimed at the early ratification of the UN Convention Against Corruption score 25%, up considerably from their interim score of -11%.

Agreements to double aid to Africa remain the same from the interim report at 22%.

Efforts aimed at eradicating polio score 11%, down considerably from 44% at the interim point.

Commitments to reduce trade-distorting domestic agricultural subsidies in Africa fall from 11% at the interim to 0 in the final, indicating a work in progress.

Unlike the interim report, there are no scores that fall within the negative range, thereby showing positive movement in overall compliance since the interim assessment.

These findings reveal some interesting patterns when compared to previous final compliance assessments (see Table B). Where political security issues revolving around terrorist financing, transnational crime and Middle East reform fell well below the compliance median in the post–Sea Island period, these issues have yielded perfect compliance scores in the post-Gleneagles period. One of the more striking developments from previous years, however, has been on debt relief for Africa as well as on renewable energy, where perfect compliance scores show significant upward movement from previous assessments. This trend sets an interesting tone for Russian president and host Vladimir Putin as he elevates education and infectious diseases (both tied heavily to debt relief in Africa) as well as energy security to the apex of the leaders’ agenda when they meet in St. Petersburg on July 15-17, 2006.

**Interim and Final Compliance Scores Compared**

With the Gleneagles final compliance scores now available, an overall assessment of year-over-year compliance scores is now possible. The 2005 score of 65% for Gleneagles compares very favourably with other years, scoring higher than any other summit in the post-Lyon period (1996) with the exception of Okinawa (2000), where the leaders secured a compliance score of 80%. (see Table C).
Table A: 2005 Gleneagles Final Compliance Scores<sup>a</sup>

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<td>+72%</td>
<td>+72%</td>
<td>+54%</td>
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Notes: ODA = official development assistance; LDCs = least developed countries.

<sup>a</sup> The average score by issue is the average of all countries’ compliance scores for that issue. The average score by country is the average of all issue scores for a given country. The overall compliance average is an average of the overall issue average and overall country average. N/A indicates insufficient information has been obtained to assess the compliance outcome and thus no compliance score is awarded; such scores are excluded from the average.
<table>
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<th></th>
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<th>Denver 97-98&lt;sup&gt;b&lt;/sup&gt;</th>
<th>Birmingham 98-99&lt;sup&gt;c&lt;/sup&gt;</th>
<th>Cologne 99-00&lt;sup&gt;d&lt;/sup&gt;</th>
<th>Okinawa 00-01&lt;sup&gt;e&lt;/sup&gt;</th>
<th>Genoa 01-02&lt;sup&gt;f&lt;/sup&gt;</th>
<th>Kananaskis 02-03 (interim)&lt;sup&gt;g&lt;/sup&gt;</th>
<th>Kananaskis 02-03 (final)&lt;sup&gt;h&lt;/sup&gt;</th>
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<sup>a</sup> Applies to 19 priority issues, embracing the economic, transnational and political security domains.

<sup>b</sup> Applies to six priority issues, embracing the economic, transnational and political security domains.

<sup>c</sup> Applies to seven priority issues, embracing the economic, transnational and political security domains (human trafficking).

<sup>d</sup> Applies to six priority issues, embracing the economic, transnational and political security domains (terrorism).

<sup>e</sup> Applies to 12 priority issues, embracing economic, transnational, and political security domains (conflict prevention, arms control and terrorism).

<sup>f</sup> Applies to nine priority issues, embracing economic, transnational, and political security domains (terrorism).

<sup>g</sup> Applies to the 13 priority issues assessed in the first interim compliance report, embracing economic, transnational, and political security domains (arms control, conflict prevention and terrorism).

<sup>h</sup> Applies to the 11 priority issues assessed in the final report, embracing economic, transnational and political security domains (arms control, conflict prevention and terrorism). Excluded in the final report, which were assessed in the interim are debt of the poorest (HIPC) and official development assistance.

<sup>i</sup> Applies to the 12 priority issues, embracing economic, transnational and political security domains (terrorism).

<sup>j</sup> Applies to the 18 priority issues embracing world economy, energy, the environment, debt relief and infectious diseases.

<sup>k</sup> Applies to the 21 priority issues, embracing peacekeeping, official development assistance, infectious diseases, renewable energy, climate change and Middle East reform.
Table C: G8 Compliance by Issue, 1996-2005

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<th>Birmingham 98-99</th>
<th>Cologne 99-00</th>
<th>Okinawa 00-01</th>
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NOTE: Data refer to members' compliance to commitments expressed in the Communiqué, as evaluated immediately prior the next summit (i.e., 1996/1997 data refer to commitments made at the Lyon Summit in 1996 and assessed on the eve of the 1997 Denver Summit). Unless otherwise indicated, data refer to all G7 countries.

HIPC = heavily indebted poor countries; ICT = Information and communications technology; includes Digital Divide and Global Information Society; IFI = international financial institutions; ODA = official development assistance; WMD = weapons of mass destruction.

a Excludes Italy and France.
b Excludes Italy.
c Refers to G8 (includes Russia).
d Refers only to Japan, UK, Russia.
e Refers only to Canada, Germany, U.S.
f Excludes Germany.
g Refers to G8 countries (includes Russia); is average of data for two commitments referring to the Kyoto Protocol on Climate Change.
h Refers to human trafficking; refers only to France, Germany, Japan.
i Refers specifically to the Financial Action Task Force on Money Laundering.
jk Refers to Africa Health.
l Refers to Environment/Sustainable Agriculture (0.0/+0.13) and Environment/Water (+0.50/+0.57).
m Refers to Economic Growth/Agricultural Trade (0.0/+0.13) and Economic Growth/Free Trade (+0.14/-0.13).
n Refers to Multinational Trade Round (MTN).
o Refers to Marine Environment.
p Refers to Africa Education.
q Refers to BMENA Democracy Assistance (+1.0) and BMENA Iraqi Elections (+0.78/+0.89).
r Refers to Trade Doha (+1.0/+0.88) and Trade Technical Assistance (+0.22/+0.56).
s Refers to Regional Security in Darfur.
t Refers to Trade in Africa, Export Subsidies and LDCs.
u Refers to Debt Relief in Africa and Iraq.
v Refers to Middle East and Sudan.
w Refers to non-proliferation and transnational crime.
x Refers to climate change and tsunami support.
Peacekeeping

Peacekeeping:

“to provide extra resources for Africa's peacekeeping forces so that they can better deter, prevent and resolve conflicts in Africa.”

-Chairman’s Summary (final press conference)\(^6\)

Background:

The G8 commitment to the deterrence and prevention of violent conflict in Africa is founded in the *Africa Action Plan* created at the 2002 Kananaskis summit. This plan was in turn built upon at the 2003 Evian Summit with the *Joint Africa-G8 Action Plan to Enhance African Capabilities to Undertake Peace Support Operations*. The G8 committed to work with its African counterparts to develop local capacities to undertake peace support operations, in accordance with the United Nations Charter, in an attempt to prevent outbreaks of violence, and to ensure that any violent conflict is quickly diffused. The *G8 Action Plan: Expanding Peace Support Operations in Africa* builds upon past efforts undertaken by the G8 and its African partners. The G8 recognizes the financial and logistical difficulties faced by many African nations when deploying troops and equipment internationally throughout the continent, therefore focus was placed upon building established frameworks for transportation and logistical support to ensure that the troops ready to prevent and diffuse conflict in Africa can promptly arrive where they are needed, and are properly equipped to undertake peace support operations. The G8’s long-term goal to train 75,000 African peacekeepers by 2010 was also reaffirmed in the Chairman’s Summary during the Gleneagles Summit of 2005.

Team Leader: Jonathan Scotland

Assessment:

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Individual Country Compliance Breakdown:

1. Canada: +1

Canada registered a strong level of compliance with the Gleneagles Peacekeeping commitment. Canada’s contributions to peacekeeping in Africa are concentrated most intensely in the region of Darfur, as violence continues to escalate despite the May 5th, 2006 deal to end the conflict.\(^7\)

In April 2006, Canada sent two RCMP staff members to consult, train and assist with Sudanese, African Union and United Nations forces in the region.\(^8\) Canada also recently pledged an additional CAD $40 million aid for Sudan with CAD $20 million designated for various humanitarian assistance and CAD $20 million specifically allocated to support Canada’s ongoing contributions to the African Union Mission in Sudan (AMIS).\(^9\) This brings Canada’s total contribution since 2004 to CAD $190 million.

Since 2004, Canada has contributed $218 million to humanitarian, diplomatic and African Union initiatives making it one of the largest and most consistent donors to this crisis.\(^10\) More specifically, from May 11-12 2006, Canada hosted its 9th Annual Peace building and Human Security Dialogue in Ottawa, aimed at investigating ways to better support the causes of human security and peacebuilding.\(^11\) On 10 March 2006, Canada endorsed the African Union’s call to involve United Nations (UN) peacekeepers in the Darfur crisis. Such a strong show of support seems to indicate that Canada will not only continue but also increase its commitment to peacebuilding in Africa through conduits like the UN in the coming months.

On 7 November 2005, former Foreign Affairs Minister Pierre Pettigrew announced CAD$500,000 in funding for the Peacekeeping School in Bamako, Mali, with the possibility of an additional CAD$500,000 to be delivered in 2006.\(^12\) Canada launched nine initiatives aimed at peacebuilding in the region which concluded in March 2006. Included in these initiatives were programs aimed at women in the horn of Africa, protection against violence, human rights

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\(^12\) Minister Pettigrew Announces Funding for West African Peacekeeping Training School, Department of Foreign Affairs and International Trade (Ottawa), 7 November 2005. Accessed: 15 January 2006. w01.international.gc.ca/MinPub/Publication.asp?Language=E&publication_id=383345&docnumber=209.
violations, Red Cross initiatives and actions against the import of small arms.\textsuperscript{13} The conclusion of these programs necessitates their replacement with new initiatives; Canada’s ongoing diplomatic dialogue suggests that options are under investigation.

Analyst: Jenn Hood

\section*{2. France: +1}

The French government’s peacekeeping initiatives demonstrate their commitment to provide extra resources for Africa's peacekeeping forces so that they can better deter, prevent and resolve conflicts in Africa.

The French government’s primary commitment lies in the Reinforcement of African Peacekeeping Capacities Program (RECAMP), a joint action of the French Foreign and Defense Ministries begun in 1998 and operating under the auspices of the United Nations while coordinating its efforts with those of the African Union (AU).\textsuperscript{14} In addition to its continued commitment to this initiative, the French government helped to broker a full partnership between the AU and the European Union (EU) in RECAMP. The primary focus of this new partnership is to support the formation of the AU’s African Standby Force. This commitment was officially outlined by French President Jacques Chirac when he stated that, “...France is prepared to place its RECAMP program in the European Union framework in order to more effectively support the efforts of the African Union, as it has done in Darfur.”\textsuperscript{15} The most recent example is the 17 May 2006 meeting in Brazzaville, Democratic Republic of Congo (DNC), where members of the EU and the AU sought to further study and plan for crisis management on the continent.\textsuperscript{16} With the AU taking increasing responsibility, General Henri Bentegeat, chief of staff of French armed forces stated, “The European commitment to the service of peace and security in Africa is simultaneously becoming reality, in the Democratic Republic of Congo (DRC) yesterday and undoubtedly tomorrow in Sudan.”\textsuperscript{17}

Other French initiatives include the decision of the French Defense Ministry to reshuffle its deployment of some 7,000 soldiers to better coordinate with the AU’s division of the continent into geographical zones.\textsuperscript{18} France, along with Mali, are also co-sponsors of Canada’s pan-

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African UN military observer training program located at the Bamako Peacekeeping school (formerly located in Koulikoro).  

These moves are bolstered by the French government’s institutional support of peacekeeping initiatives such as United Nations (UN) Security Council resolution S/2006/221, unanimously adopted 28 April 2006, which is designed to renew the UN Mandate for the Referendum in Western Sahara (MINURSO) mandate for six months, until October 2006; the UN’s adoption of the resolution establishing the Peacebuilding Commission; and the establishment, on 6 October 2005, of the International Working Group, whose mission is to evaluate and follow the transition in Côte d'Ivoire and provide the Ivorian government with the assistance necessary for continuing the peace process and holding elections before 31 October 2006. France has continuously moved to support this process most recently putting forward a draft presidential statement to the UN Security Council asking to speed up disarmament operations.

Analyst: Jonathan Scotland

3. Germany: +1

Germany has demonstrated a high level of compliance to its peacekeeping commitments in Africa, concentrating investments in African Union missions with particular emphasis on the Sudanese conflict.

Earlier in 2005 Germany supported the African Union’s (AU) peace support mission in Sudan through the provision of communications equipment and set aside €2.25 million in aid for Darfur. Defence Minister Peter Struck first indicated in September that Berlin might contribute soldiers to a UN mission in Sudan's Darfur region, referring to the crisis there as "genocide." Germany currently has 28 soldiers supporting the mission, which saw its UN mandate end on March 24. The UN Security Council is working on a resolution to extend it, and on 23 March 2006 Chancellor Angela Merkel's Cabinet approved the extension of the German involvement in Darfur for an additional six months. This must also be approved by parliament. This mission, to help enforce a peace deal between the government and rebels in southern Sudan, is separate from

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the African Union mission to restore peace in a separate conflict in Sudan's western Darfur province.²⁵

As Germany seeks to play a greater role on the world stage, Defence Minister Franz Josef Jung said in an interview on 23 April 2006 that Berlin would soon double, to 15,000, the number of troops trained for peacekeeping and other missions despite tough restrictions on the ministry's budget.²⁶

Germany's cabinet on 17 May 2006 approved a proposal to send almost 800 soldiers to the Democratic Republic of Congo during the summer of 2006 to help keep the peace during elections currently scheduled for 30 July. The Bundeswehr troops will be the largest contingent in the European Union (EU) mission to the African country being sent to support the some 17,000 United Nations troops already there. "We are interested in Congo moving toward a peaceful and democratic development," German Defense Minister Franz Josef Jung said on 17 May 2006.²⁷

The total number of German soldiers headed for Congo has been set at 780, with 280 of those designated for medical and logistical backup. Joining them will be some 500 French soldiers and troops from another 16 of the 25 EU countries for a total EU force of about 1,500 soldiers. According to Jung, the mission will last four months and will begin on Congo's Election Day.

Analyst: Justyna Janicka

4. Italy: 0

The Italian government has partially fulfilled its commitment to support peacekeeping forces in Africa. The bulk of its commitment takes the form of officer training for peacekeeping missions, with the main contribution focused on the newly established Centre of Excellence for Stability Police Units (CoESPU) in Vicenza, Italy. At the CoESPU specialized police units are trained to participate in peace support operations²⁸. Students from Cameroon, Kenya, Morocco and Senegal participated in the November 2005 and January 2006 training.²⁹ Further contributions to peacekeeping forces have, however, been limited. In September 2005 Italy made airlift commitments to transport troops³⁰ and to provide operational and logistics personnel for the

African Union mission in Darfur through a larger European Union mission. Other than stating its intention to provide airlift and logistic support for Africa’s peacekeeping forces, Italy has not fulfilled its commitment. Italy continues to focus its efforts on training officers for peacekeeping operations at the CoESPU and therefore only partially fulfilled its commitment because it failed to provide additional logistics and transportation support for Africa’s peacekeeping forces.

Analyst: Adrianna Kardyna

5. Japan: +1

Japan registered full compliance with their Peacekeeping commitment from the Gleneagles Summit. Japan’s contributions most clearly manifest in two specific areas: diplomatic relations and humanitarian assistance.

In the wake of some of Japan’s larger diplomatic initiatives, this year is best characterized as one of follow through. Specifically in response to the 2003 Third Tokyo Conference on African development, where the Japanese Prime Minister met with 23 Heads of African states, Japan promised to double its aid to the continent over the a three year span beginning in 2005. On May 1 2006, Prime Minister Junichiro Koizumi recalled this commitment illustrating Japanese intentions to meet this goal. Another, unique Japanese initiative with regards to peacekeeping in Africa is the diplomatic effort to increase Africa’s voice on the Security Council.

Japanese compliance with their peacekeeping commitment continues in the sphere of humanitarian support. Specifically, Japanese Prime Minister Koizumi introduced “New Actions for Peace and Development in Africa” on 1 May 2006. Included in this new initiative is substantial financial support for the African Union (AU) mission in Darfur. Specifically, Japan made an initial contribution of US$5 million to the AU mission, but, given the gravity of the situation in the region, added an additional US$8.7 million to this initial donation. Japan offered an additional US$10 million aimed at improving the humanitarian situation in the region.

In addition to these more concrete contributions to peacekeeping in Africa, Japanese Prime Minister Koizumi recognized a number of other growing security concerns on the continent.

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pledging Japan’s assistance but remaining vague as to the scope of those commitments.\(^{38}\) Specifically, he pledges to assist the African Union’s counter terrorist efforts through the AU’s Anti-Terrorism Center (ACSRT).\(^ {39}\) The Prime Minister also recognized the growing problem small arms and light weapons pose to a region pursuing peace. Without mentioning the mechanics of countering these destabilizing forces, the Prime Minister did pledge to attach more importance to these issues in the near future.\(^ {40}\)

6. Russia: -1

Russia, though seeking to contribute to international peace by mediating the Iranian and Israel-Hamas crises, has failed to appropriately fulfill its obligations to the agreements signed at Gleneagles Resort in July 2005.

As of 30 April 2006 Russia had 208 personnel operating in UN Peacekeeping Missions around the world.\(^ {41}\) This is down from 326 personnel in May 2005. In Sudan, Russia currently supports 32 personnel, up from only 6 personnel one year ago.\(^ {42}\)

Also, on 17 April 2006, Defence Minister Ivanov announced that a Russian aviation group will fly to Sudan to participate in the UN peacekeeping mission there.\(^ {43}\) This should raise the number of personnel supported by Russia in Sudan significantly. Such support is consistent with G8 commitments to support UN peacekeeping missions.

However, in a key area of commitment, supporting African-led peacekeeping initiatives, Russia’s contribution has been inadequate. President Putin has expressed the appropriate sentiments, stating that the Russian Federation welcomes “the African community’s active efforts towards forming a basis for collective security, including their own peace making structures.”\(^ {44}\) Yet such statements have not translated into material support. In late 2005 State

It is also unclear whether or not Russia will ramp up its commitments to either AMIS or UNAMIS following the signing of the May 5 peace agreement in Sudan. After the deal was signed, Russian Foreign Minister Lavrov announced that Russia would render “assistance to consolidating the political settlement in Darfur in the interests of strengthening peace and security in the region, specifically through the participation of Russian peacekeepers in the United Nations Mission currently operating in Sudan.”\footnote{UN Security Council Resolution on Resolving the Crisis in Darfur, Ministry of Foreign Affairs of the Russia Federation (Moscow), 17 May 2005. Accessed: 18 May 2005. www.mid.ru/}

Analyst: Bentley Allan

7. United Kingdom: +1

In past G8 Research Group reports the United Kingdom has been identified as a leading contributor to the building of independent, regional peacekeeping forces by providing direct financial support to peacekeeping training centres and African-led peacekeeping missions.\footnote{The G8 and Africa Final Report: An Overview of the G8’s Ongoing Relationship from the 2001 Genoa Summit to the 2005 Gleneagles Summit, G8 Research Group, 24 June 2005. Accessed: May 17, 2006. www.g8.utoronto.ca/evaluations/csed/g8africa_050624.html.}

In the last year, the UK has continued in this role, funding the training of Nigerian peacekeepers at a cost of £200 000. This is in addition to contributing £400 000 to build the school and providing British Military trainers.\footnote{UK Trains an extra 17,000 Nigerian Peacekeepers, Government News Network (Nigeria), 20 September 2005. Accessed: May 17, 2006. www.gnn.gov.uk/Content/Detail.asp?ReleaseID=170520&NewsAreaID=2.} Such disbursements are in line with G8 commitments to support independent, regional peacekeeping operations by “training the trainer.”


Analyst: Bentley Allan

8. United States +1

The American government has demonstrated compliance with its commitment towards providing extra resources for Africa’s peacekeeping forces.


On 12 August 2005 the American government also made a new commitment to the government of South Africa to provide resources for multinational peace support operations.\footnote{South Africa and U.S. Sign Agreement to Enhance Cooperation on Multinational Peace Operations, United States Embassy (South Africa), 12 August 2005. Accessed: 28 November 2005. pretoria.usembassy.gov/wwwhpr15c.html.} By providing extra resources for Africa’s peacekeeping forces and committing itself to provide additional support the American government has fulfilled its commitment.
9. European Union: +1

The EU government’s peacekeeping initiatives have brought the EU into full compliance with the Gleneagles peacekeeping commitment to provide extra resources for Africa's peacekeeping forces so that they can better deter, prevent and resolve conflicts in Africa.

Louis Michel, European Commissioner for Development and Humanitarian Aid, while attending the 11th summit of the Intergovernmental Authority on Development (IGAD) Heads of State and Government in Nairobi, proposed on 20 March 2006 a strategy for peace, security and development in the Horn of Africa region. This strategy is intended to focus on regional governance, natural resources management, food security, border control and non-proliferation of small arms. The Comprehensive Peace Agreement on Sudan and the consolidation of the Transitional Federal Institutions in Somalia are already major breakthroughs in achieving peace in the Horn, although these processes remain fragile.

Among the concrete initiatives worth expanding, Commissioner Michel identified food security and desertification as a major challenge, as the region faces a new cycle of drought and famine. Border control should also be a focus area, as most borders in the region are permeable and illicit trafficking remains a concern. Another key cross-border issue to address in this region is the proliferation and misuse of small arms and light weapons. In the field of peace and security, the establishment of the Eastern African Standby military brigade (EASBRIG) as part of the African Standby force is a welcome development in building African capacities in deployment of military peacekeeping and monitoring operations. The European Commission envisages supporting this initiative should it become fully operational.

The European Union has earmarked €300 million to support peace in Africa over the 2008-2010 period, EU Development Commissioner Louis Michel said on 11 April 2006. The money is to be made available from the beginning of 2008 and will be taken from the European Development Fund, which has an operating budget of €22.7 billion for the period from 2008 to 2013. The 25-nation bloc set up a facility in 2004 to finance peace operations in Africa led by African countries. At the time it was allocated €250 million but is now empty, the commissioner told a news conference. Much of the money was used to help African Union's peacekeeping mission in Sudan's troubled Darfur region. Since 2004, €162 million were used for the AU's mission and EU member states agreed at the beginning of March to release a further €50 million, which Michel said would get the operation through another "three months at the most." Other donors

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will therefore have to step up to help the mission until its recently renewed mandate runs out in September and the United Nations takes over the operation.\textsuperscript{62}

On 10 May 2006 Austrian foreign minister Ursula Plassnik, whose country currently holds the EU’s rotating presidency, told the UN Security Council in New York that EU support for the African Union would not diminish in the coming months, adding that the EU supported the convening of a donor conference to secure financing of the African Union peace mission in accordance with provisions of the peace agreement. She said that "The signing of the Darfur peace agreement by the government of Sudan and the rebel movement SLM/A last Friday in Abuja is a big step forward for Darfur, Sudan and for the whole of the African continent." In a statement summarizing her remarks, Plassnik stressed the importance of all parties signing up to the agreement and called on two other rebel groups to "shoulder their responsibility." The deal could help end a conflict that has killed about 200,000 people in three years and displaced some 2 million.\textsuperscript{63}

Analyst: Justyna Janicka

Good Governance

Commitment:

We will work vigorously for early ratification of the UN Convention Against Corruption and start discussions on mechanisms to ensure its effective implementation.

-Africa Report

Background:

Since the creation of the Africa Action Plan (AAP) at the Kananaskis Summit in 2002, the G8 countries have been explicit in their commitment to focus aid money directed to Africa on initiatives that strengthen practices of good governance. Corruption is recognized to be one of the greatest obstacles to democracy and development. G8 initiatives in the area of improving transparency and limiting corruption include projects that encourage the rule of law; anti-corruption campaigns; and efforts for democratization and fair elections.

At the Gleneagles Summit, the G8 reiterated many of the commitments contained in the Africa Action Plan and the New Partnership for Africa’s Development (NEPAD) agreement regarding good governance in Africa. The four key commitments were: support for the African Peer Review Mechanism (APRM), support for African countries in their implementation of the APRM recommendations, support for greater transparency in public financial management, and supporting African partners in ratifying the Africa Union Convention on Preventing and Combating Corruption. The promotion of good governance was presented hand-in-hand with Official Development Assistance policies; the goal is not more but better aid. The G8 has recognized that sustainable and African-led development policies require transparent and capable leadership.

The United Nations Convention Against Corruption has 140 signatories, including all G8 members and the European Community. This convention commits parties to promote international cooperation and technical assistance; to strengthen measures to combat corruption; and to promote integrity, accountability, and better management of public affairs and property.

Team Leader: Mary Albino

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Assessment:

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Individual Country Compliance Breakdown:

1. **Canada: 0**

Since the release of the G8 Research Group’s interim report in February 2006, the Government of Canada has continued to financially support many initiatives to combat corruption and improve transparency in Africa, but its failure to ratify the UN Convention Against Corruption means that it has not made adequate progress on its Gleneagles commitment.

The Canada Fund for Africa, launched at the G8 Summit in Kananaskis, Alberta, in June 2002, continues to work with African and Canadian partners to develop a comprehensive governance program targeting parliamentary, local, and public sector institutions that will result in stronger and more transparent democracies. For example, according to a publication by the Canadian International Development Agency (CIDA) on 15 May 2006, the Africa-Canada Parliamentary Strengthening Program (CAD$9 million) supports African parliamentarians in their efforts towards openness, accountability, democratic representation, and participation in the implementation of NEPAD. Working with Canada’s Parliamentary Centre, African parliamentarians have created networks on anti-corruption to support and carry out specific initiatives. According to another report published by CIDA on 15 May 2006, the African Parliamentarians Network against Corruption has new chapters in Benin, the Democratic Republic of the Congo, Rwanda, and Zambia. Canada’s Federation of Canadian Municipalities, through the Canada Fund for Africa, has also provided financial support to local authorities. For example, the National Association of Local Authorities of Ghana (NALAG) received Canadian funding to create a women’s caucus. In addition, Canada was the first donor to provide funding to the African Peer Review Mechanism (APRM).

On 22 August 2005, the Honourable Aileen Carroll, former Minister of International Cooperation, announced more than CAD$8 million in funding to Canadian civil society and

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private-sector organizations that will support or initiate projects focused on governance in the developing world. Twelve of these projects, which will promote and facilitate innovative approaches to strengthening good governance, will take place in Sub-Saharan Africa, for a total of CAD$6.4 million.\textsuperscript{72}

Asia-Pacific Economic Cooperation (APEC) Canada is in the process of developing a workshop to raise awareness of the impact of corruption on small businesses and generate a set of recommendations for action which could be taken by APEC in this area.\textsuperscript{73}

Although the Canadian government has taken several initiatives to combat corruption in Africa, because it has yet to ratify the United Nations Convention Against Corruption. Thus, we cannot give Canada a grade of full compliance.

Analyst: Fauzia Issaka

2. France: +1

France demonstrated full compliance regarding promises made at the Gleneagles Summit concerning the establishment of good governance in Africa.

On 11 July 2005, France ratified the UN Convention against Corruption.\textsuperscript{74} In accordance with the promises of the G8 to address transparency and corruption in Africa,\textsuperscript{75} France reaffirmed its commitments to the continent. Over the course of the Africa-France Summit in Bamako in December 2005, President Chirac addressed the fact that due to the commitment and dedication of the AU and the UN, peace and the rule of law are making progress in Africa.\textsuperscript{76} President Chirac emphasized the fact that France was willing to support the AU in its efforts to increase transparency and eliminate corruption.\textsuperscript{77}

President Chirac reaffirmed this commitment in 2006 when he reiterated French intentions to maintain close ties to the AU as it works towards the development of well-established


institutions and active policies to promote peace and good governance. President Chirac stated: “I can assure you of French readiness to respond to any AU requests.”

As well, France remains highly committed to working with RECAMP (Reinforcement of African Peacekeeping Facilities), a program, initiated by France in 1997, that “aims to increase the political and military capabilities of African countries and organizations in order to allow them to plan and conduct peacekeeping operations on their own continent.”

Analyst: Emilie Gelinas

3. Germany: 0

The German government has shown partial progress towards supporting African development and governance in general, but it has not been particularly focused on the issue of corruption and transparency. At the Gleneagles Summit, Germany showed support for the NEPAD agreement and the African Action Plan (AAP). The two main points of emphasis were the importance of African-led governance initiatives in an environment of partnership with countries such as the G8, and the crucial role played by infrastructure building in fostering better conditions for the enactment of economic and political reform initiatives. While support for Africa is wide in scope, the German Government has focused mainly on issues of development. Germany’s support for anti-corruption and pro-democracy initiatives has come mainly through its membership in the European Union (EU). Also, Germany has yet to ratify the UN Convention against Corruption.

The German government supports the improvement of transparency in African governments through three main initiatives. First, it has pledged €2.4 million to support the African Peer Review Mechanism (APRM). The APRM is a self-monitoring mechanism for members of the African Union to encourage the improvement of government policy among each other. Second, it funds the Konrad-Adenauer-Stiftung (KAS), a Christian political foundation of the German Government that works with governmental institutions to develop democratic structures and institutions. The German government also funds pro-democracy initiatives bilaterally, and has taken particular interest in Namibia, its former colony, to which it committed €60 million in May 2006.

Analyst: Mary Albino

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4. Italy: 0

The Government of Italy has continued to support initiatives to combat corruption and improve transparency in Africa since the publication of the G8 Research Group’s interim report in February 2006. From 15-17 March 2006, Italy hosted the World Congress on Communication for Development (WCCD). This first WCCD focused on demonstrating the value of communication for a variety of development initiatives and the need to increase investment in communication for development as a necessary element for meeting developmental challenges.83

Additionally, the UN announced on 26 April 2006 that the Government of Italy would join senior government officials from 25 African countries in Rwanda on 8 May 2006 at a UN workshop to discuss methods to improve electronic governance.84 The workshop was designed to gather the views of senior officials on how an internet portal, the Africa Good Governance Inventory (AGI), can support good governance, which is the goal of the African Peer Review Mechanism, a mechanism to ensure that participating countries observe the good governance principles and practices outlined in the New Partnership for Africa’s Development (NEPAD).85 In addition to the 25 senior officials from Africa and the Italian government, the workshop was attended by officials from the UNDP, the UN Division for Public Administration, and the NEPAD/African Peer Review Secretariat.86 Furthermore, the AGI is funded from resources provided by the United Nations Development Programme and the Government of Italy.87 Specifically, the AGI assists African governments and their development partners to improve programming, coordination, monitoring, evaluation, and mobilization of resources in governance. To date, 31 countries in Africa have provided data on governance through the AGI portal.88

Domestically, the Italian Government has also taken steps to combat corruption. On 27 April, Italy’s top criminal court upheld a 2005 corruption conviction against a former minister and close associate of former Prime Minister Silvio Berlusconi. 89

Despite the above-stated efforts to combat corruption and improve transparency, the Government of Italy has yet to ratify the UN Convention against Corruption and therefore receives a score of partial compliance.

Analyst: Fauzia Issaka

5. Japan: -1

The Government of Japan’s focus vis-à-vis Africa is in the areas of investment and trade; very little attention or energy has been directed towards improving good governance on the continent.

Although Japan has not taken substantial action in addressing good governance in Africa, it has vocally addressed the issue. Japan has directed responsibility towards the IMF and the World Bank for assisting low-income countries with strengthening transparency in public expenditure management and the implementing anticorruption measures. 90 Japan also required the Bretton Wood Institutions to report improvements in transparency and corruption to ensure that resources are used for poverty reduction, and to ensure that benefits accrue from debt cancellation. 91

In other areas of Africa’s development Japan has shown itself to be on track. Japan’s African Development Strategy focuses on human centred development, poverty reduction through economic deployment and the consolidation of peace. 92 Japan has also committed to increasing its Overseas Development Assistance (ODA) volume by US$10 billion in the next 5 years, compared to its 2004 level, and to double its ODA to Africa over the next 3 years. 93 The country’s budget, however, has not been moving in this direction, since the ODA in 2006 has decreased from 2005’s investment of ¥786.2 billion to ¥756.7 billion. 94

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Japan is also no closer to ratifying the UN Convention against Corruption than it was prior to the Gleneagles Summit.\(^95\) Because of this, and because it has taken no significant action in improving good governance in Africa, it receives a score of -1, indicating non-compliance.

Analyst: Venus Yam

6. Russia: +1

Russia demonstrated a moderate level of compliance with its Gleneagles commitments on good governance. In three key areas — ratifying the UN Convention against Corruption, combating corruption in Africa, and addressing domestic corruption — Russia has made some advances.

On 20 December 2005, President Vladimir Putin submitted the UN Convention against Corruption to the Parliament’s lower chamber for ratification.\(^96\) President Putin signed the Federal Law on Ratification of the Convention on 8 March 2006,\(^97\) and on 9 May 2006, Russia ratified the UN Convention against Corruption, its primary commitment at Gleneagles in this issue area.\(^98\) Although the commitments of the Convention are being integrated into Russian law, including the commitment to repatriate assets obtained through laundering,\(^99\) the ratification has yet to have significant impact.

Russia has made some effort to combat corruption in Africa. First, as a co-chair of the Africa Partnership Forum (APF), Russia is helping to draft a Joint Action Plan which “[brings] together the commitments that Africa and its development partners have both made,” and will host the African Partnership Forum in October 2006.\(^100\)\(^101\) As one of the goals of the APF is to combat corruption particularly through encouraging the use of the African Peer Review Mechanism,\(^102\) Russia’s leadership role in this capacity contributes to its fulfillment of its Gleneagles commitment. Second, in deepening its bilateral relationship with countries such as South Africa,


Russia has emphasized the importance of anti-corruption measures such as the Peer Review Mechanism. Third, Russia has sought to increase Russian involvement with the African Union and the New Partnership for Africa’s Development (NEPAD), a component of the Gleneagles good governance commitments.

On the issue of domestic corruption, Russia has taken several steps to address this problem. In several of President Putin’s addresses, he has emphasized the need to combat corruption, declaring that corruption in Russia is “inadmissibly high.” On 11 May 2006, the Russian Security Council secretary admitted that levels of corruption among government officials are damaging to the Russian economy. Actions to combat corruption have included a recent purge of corrupt government officials, criticism of and changes to the policy of the interior ministry, and customs reforms. These actions have been met with praise from other governments and international organizations. For example, the World Bank applauded Russian efforts to combat money laundering.

However, government corruption in Russia remains among the highest in the world; in 2005 Transparency International moved Russia down the list on their Corruption Perceptions Index to the 126th most corrupt country in the world. The Russian interior minister has conceded that corruption continues to grow in Russia, with 31,000 cases of corruption in the first six months of 2005 alone. The think tank INDEM Russia has contributed to the fight against corruption in Africa, however, these efforts have been limited. The implementation of the Peer Review...

While Russia did not make significant inroads in combating corruption either domestically or in Africa, it did meet its primary Gleneagles commitment of ratifying the UN Convention against Corruption and is thus in full compliance.

Analyst: Joanna Langille

7. United Kingdom: +1

Since Gleneagles, Britain has fully implemented its G8 Commitment to reducing corruption and increasing transparency. By ratifying the United Nations Convention Against Corruption and by taking significant action to enhance African governance structures and anti-corruption measures, Britain is in full compliance.

helping other countries to adopt the Convention, providing technical assistance to several African countries with the legal transition required by the Convention.\footnote{121}

As the 2005 President of the G8, Britain declared 2005 the “Year of Africa”\footnote{122} and has supported African anti-corruption measures in several capacities. First, Britain has sought, through bilateral relationships with countries such as Kenya, Malawi, Sierra Leone, Nigeria, and Tanzania, to help individual countries develop governance structures and combat corruption.\footnote{123} Second, the Blair-initiated Commission for Africa made several recommendations in their Report published 11 March 2006 on the issue of corruption, helping to bring the problem of corruption to the fore.\footnote{124} Third, Britain has worked with regional governance structures such as the Pan-African Parliament,\footnote{125} NEPAD,\footnote{126} and the African Union\footnote{127} to improve governance practices. Through NEPAD, Britain has continued its support of the African Peer Review Mechanism, an element of the Gleneagles commitment on good governance. Fourth, Britain facilitated the development of the African Partnership Forum to help monitor implementation of G8 commitments.\footnote{128} The fifth meeting of the APF was hosted by the British government on 4-5 October 2005 in London. The Joint Action Plan details how the G8, APF and the African Union can work together to reach G8 commitments, including those that combat corruption and encourage transparency.\footnote{129}

Despite these achievements, Britain has been criticized for failing to act to prevent corruption in Africa. A report by the Africa All Party Parliamentary Group in March 2006 identified major British failures to address money laundering and corruption particularly with respect to Africa.\footnote{130}

Britain has also taken action since Gleneagles to combat domestic corruption. The British government introduced anti-corruption legislation and a consultative process for developing

further measures.\textsuperscript{131} On 16 March 2006, Britain’s Export Credits Guarantee Department (ECGD) announced that it would re-introduce anti-corruption measures weakened after industry lobbying in 2004.\textsuperscript{132} The Extractive Industries Transparency Initiative helps to improve the accountability of governments to their own citizens, and African governments are being encouraged to adopt the plan as well.\textsuperscript{133} Other UK anti-corruption projects include the OECD Guidelines on Multinational Enterprises, the Global Reporting Initiative, and the International Labour Organization Tripartite Declaration of Principles Concerning Multinational Enterprises.\textsuperscript{134} Individual cases of the British government combating corruption include the travel ban placed on Kenyan Minister Chris Murungaru, a convicted perpetrator of political corruption,\textsuperscript{135} and the arrest of a Nigerian State Governor who faces 40 counts of money laundering in Nigeria.\textsuperscript{136}

However, Britain has not yet enacted laws to prevent the British government from perpetuating corruption abroad.\textsuperscript{137} Britain is considered the “banking capital of choice for hot money,”\textsuperscript{138} and both the British and International offices of Transparency International have instances of domestic corruption.\textsuperscript{139} Despite these shortcomings, Britain is in full compliance with its Gleneagles commitment on good governance.

Analyst: Joanna Langille

8. United States: 0

Although the United States has yet to ratify the UN Convention Against Corruption (UNCAC)\textsuperscript{140}, it has proactively encouraged good governance in Africa. The US directed funding towards three anti-corruption initiatives: advocacy programs to increase public awareness,
financial management to ensure appropriate use of funds, and maintenance of the rule of law to ensure the success of other anti-corruption programs.\textsuperscript{141}

In the fiscal year 2005, US$1.4 billion was directed to human rights and democracy programming, while another US$10 million was given to the UN Democracy Fund.\textsuperscript{142} For fiscal year 2006, USAID proposed to invest US$21 million in its Democracy and Governance Program, specifically, US$2,600,000 will go to the Rule of Law Program and US$2,150,000 to the Elections and Political Processes Program.\textsuperscript{143} Through the governance program, anti-corruption efforts, democratic governance, legislatures, and management of the policy reform process was supported by US$2,850,000.\textsuperscript{144}

The United States promotes good governance in Africa through civil society programs.\textsuperscript{145} Articulating the White House’s view on NGOs, Paula Dobriansky, Under Secretary for Democracy and Global Affairs stated that, “NGOs are some of [the United States’] most important partners in speaking out against human rights abuses and undemocratic practices, holding governments accountable for their actions and giving a voice to citizens’ concerns.”\textsuperscript{146} The US has funded an NGO project in Cameroon, for example, that educates the public about corruption and its consequences.\textsuperscript{147} In Mozambique, money was directed to increase citizen awareness and to denounce corrupt behaviour. Through an anti-corruption NGO, ÉticaMoçambique, Corruption Reporting Centres were opened in provincial capitals and they received more than 190 reports from citizens on government corruption.\textsuperscript{148}

While the United States is following through on its promises regarding the promotion of anti-corruption in Africa , it has yet to ratify the UN Convention against Corruption and so receives a score of 0 for partial compliance.

Analyst: Venus Yam


9. European Union: n/a

The European Union is not a United Nations (UN) member state, and therefore cannot ratify a UN convention, therefore it cannot be scored on this commitment. Nonetheless, the European Union (EU) has taken many step with regards to commitments undertaken at the Gleneagles Summit regarding the establishment of good governance in Africa.

The EU recognizes that corruption is the main hindrance faced by developing countries in their efforts to consolidate democracy.149 To address this, the EU proposed the “EU Strategy for Africa” in December 2005150, which supports, among other principles, a governance initiative that provides assistance for the implementation of the governance reforms proposed by the APRM (African Peer Review Mechanism).151

The European Parliament and the European Council have subsequently adopted this document and a strategy has been developed which aims to provide Africa with supplementary resources that will help it reach the Millennium Development Goals by the target date of 2015.152 However, the challenge is to ensure that the money provided is used properly to effectively support development.153

The solution proposed was the European Consensus on Development.154 The European Consensus emphasizes “…that the European Community will actively promote a participatory in-country dialogue on governance, in areas such as anti-corruption…”155 This document highlights the fact that good governance is linked to the progress of democratization and should be a fundamental aspect of the development policy.156

The new Strategy for Africa is committed to supporting African efforts to curb corruption and improve governance through the African Peer Review Mechanism (APRM) and through the encouragement of the adoption and ratification of the UN Convention Against Corruption, which stresses the importance of eliminating corruption in both the public and the private spheres.

At the EU Development Ministers meeting of 11 April 2006, the progress of the EU Strategic Partnership for Africa was discussed. Ministers agreed to €300 million in medium-term funding for the period of 2008-2010. The money will be used to support the African Peace Facility, which will work with national governments to establish stability and good governance initiatives on the continent.

Analyst: Emilie Gelinas

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Health: HIV/AIDS

Commitment:

“We will work to meet the financing needs for HIV/AIDS, including through the replenishment this year of the Global Fund to fight AIDS, TB and Malaria; and actively working with local stakeholders to implement the ‘3 Ones’ principles in all countries”

-Africa

Background:

With a growing political awareness of global health, including AIDS, tuberculosis (TB), and malaria, the G8 reaffirmed its commitment to eradicating these diseases at the Gleneagles summit in July 2005. The commitment included continued support for the “3 Ones” principles developed by UNAIDS, the World Bank, and global donors. These principles call for collaboration and more effective use of resources to combat the spread of HIV/AIDS, and to meet the needs of people living with the disease through performance-based funding. Grant recipients who demonstrate measurable and effective results from the monies received will be able to receive additional funding. While the initiative is an essential step to global coordination with multi-sector participants, the National AIDS Coordinating Authority that would be created as a result requires extensive funding to undertake its task. That task would also include monitoring and assessment tools to not only determine program success but to ensure accountability to donors. These new goals, however, do indicate a major priority shift from the goals leading up to the Gleneagles Summit where world leaders were expected to strengthen HIV vaccine research. Instead of preventative research being the focal point, the issue has fallen back on programs to reduce and monitor global levels of HIV/AIDS.

Compliance levels, measured by financial contributions required to ensure the success of this venture, have been very positive, with most countries exhibiting either full compliance or progressive steps which will greatly boost the ability to reduce the global spread of these diseases. The political and financial commitments were visible in 2005, with the Global Fund announcing the successful closing of the 2005 funding gap with nearly US$729 million in new commitments. These funds were instrumental in bringing anti-retroviral drugs to patients with HIV/AIDS, treating TB patients, and limiting malaria by distributing insecticide treated bed nets among other social, medical, and educational outreach programs. The Global Fund does, however, “continue to face a resource shortfall of approximately US$1.1 billion for 2006,”

making new funding announcements by G8 leaders very important between the Gleneagles and St. Petersburg Summits to realize this goal.\textsuperscript{163}

Team Leader: Barbara Tassa

**Assessment:**

<table>
<thead>
<tr>
<th>Country</th>
<th>Lack of Compliance</th>
<th>Work in Progress</th>
<th>Full Compliance</th>
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**Individual Country Compliance Breakdown:**

1. **Canada: 0**

Canada made significant efforts to meet the financing needs of HIV/AIDS and raise awareness of the problem, but has only merited a score of 0. On 9 September 2005, the Minister of International Cooperation, Aileen Carroll, announced that a further CAD$250 million would be committed to replenishing the Global Fund to Fight AIDS, Tuberculosis and Malaria in addition to the CAD$140 million committed in the February 2005 budget.\textsuperscript{164}

However, action on this issue came to a halt for several months due to the dissolution of the Canadian Parliament on 28 November 2005 and the ensuing federal election campaign. Canada’s Conservative party was voted into power on 23 January 2006. Their election platform made no specific mention of HIV/AIDS; however, it vowed to show “compassion for the less fortunate — on the international stage” and to increase levels of foreign aid.\textsuperscript{165} Parliament resumed on 4 April 2006 and the new government released its budget for 2006 on 2 May 2006. This budget pledged to provide the CAD$250 million for the Global Fund that the previous government had


committed the previous September,\textsuperscript{166} however, this money is contingent on the federal surplus for 2005-06 being greater than CAD$2 billion. The 2006 Budget estimated that the Federal surplus for 2005-06 will be $8 billion, which is well above the $2 billion required to deliver the funds to the Global Fund.\textsuperscript{167} However, as a result of this qualified pledge to provide significant funding for the Global Fund, Canada’s compliance must be rated as a work in progress.

Analyst: Danielle Takacs

2. France: 0

France demonstrated both political and financial support of the Gleneagles HIV/AIDS commitment to replenish the Global Fund for AIDS, TB, and malaria, but because of a lack of fulfillment of funding commitments, France’s efforts must be seen as a work in progress. In December 2005, the French parliament announced approval for its plan to add an airline surtax to fund its commitment.\textsuperscript{168} The plan was announced earlier at the January 2005 World Economic Forum in Davos, Switzerland. Just prior to the Gleneagles Summit in July 2005, French President Chirac announced an increased contribution to the Global Fund of €225 million in 2006 and €300 million for 2007. On 6 September 2005, Mme. Brigitte Girardin, Minister Delegate for Cooperation, Development and Francophonie, reiterated France’s commitment to the increased contribution.

Since these announcements, the French government has not announced any further financial commitments, but nevertheless continues to lead as the largest European country contributor to the Global Fund. Although France paid in full its 2005 contribution of US$180 million, it has yet to contribute to its 2006 pledge of nearly US$280 million for 2006, thereby giving it a compliance score of 0.\textsuperscript{169}

Analyst: Barbara Tassa

3. Germany: 0

Germany has shown moderate compliance for Gleneagles’ HIV/AIDS commitments through continued support for the Global Fund, though no new financial commitments were made by mid-2006. The German government fully paid its pledge of nearly US$103 million in 2005. For 2006, however, Germany’s pledge of over US$87 million still required nearly US$45 million to close its contribution gap.\textsuperscript{170}

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Although Germany has not made further financial pledges to replenish the Global Fund, the country nevertheless maintains ongoing interaction with the Global Fund and organizations that help distribute money to fund international initiatives to fight HIV/AIDS through the BACKUP organization, which was created in 2002 with a budget of €30 million.\(^{171}\) In spite of this, Germany’s compliance score cannot move beyond 0 without evidence of movement to fully fund its Global Fund commitments.

Analyst: Barbara Tassa

4. Italy: 0

Italy remains a significant contributor to meeting the financing needs of the Global Fund, having announced new funding in November 2005 to provide another €260 million to the Global Fund to Fight AIDS, Tuberculosis, and Malaria, additional to the €400 previously provided from 2001-2005\(^{172}\). However, the government of Italy has been largely unable to carry out further action on this front due to the dissolution of the Italian Parliament on 29 January 2006 and the ensuing federal election campaign.

The 9-10 April 2006 election saw Romano Prodi and his Union coalition emerge as the new government. With respect to addressing HIV/AIDS, Prodi’s coalition did not develop a specific policy on the issue\(^{173}\). Nonetheless, Prodi’s coalition has yet to have a real opportunity to carry out significant action on HIV/AIDS since the government was only sworn in by the President on 17 May 2006. Prodi’s government managed to win a confidence vote in the upper chamber of the Italian Parliament\(^{174}\), but has had no real opportunities as of yet to carry out any policies relating to HIV/AIDS.

Thus, although Italy has been a strong donor to the Global Fund in the past, because the new government has yet to formally have a chance to meet the financing needs of HIV/AIDS and address the ‘Three Ones’ principles, Italy’s level of compliance with its Gleneagles commitment to combating HIV/AIDS has been minimal. Additionally, Italy’s pledge to pay its US$121 million pledge for 2005 was short by nearly US$25 million, something that is of further concern given that Italy had already pledged over US$161 million for 2006. Consequently, the inability of Italy to close its funding gap in 2005 and the absence of any fiscal contributions for 2006 along with political inaction lead to a compliance score of 0.\(^{175}\)

Analyst: Danielle Takacs

5. Japan: +1

Japan completely fulfilled its Gleneagles commitment to work against HIV/AIDS. The Japanese government fulfilled its 2005 pledge of US$100 million to the Global Fund to Fight AIDS, Tuberculosis and Malaria on 8 November 2005 ahead of schedule. On 9 November 2005, Tokyo pledged US$3.8 million to UNICEF to prevent AIDS, malaria, tetanus, and measles among the children of Myanmar, including the purchase of HIV/AIDS test kits. This announcement came three months after the Global Fund announced that it would cut funding to Myanmar.

The Japanese government also continues to show its commitment to the Global Fund with the Friends of the Global Fund Japan (FGFJ) organization, which is chaired by former Prime Minister Yoshiro Mori, by conducting ongoing policy discussion and support for the fight against HIV/AIDS. Overall, Japan showed great leadership and full compliance in financing the Global Fund’s 2006-07 goals and full payment of its 2006 pledge of over US$130 million for the Global Fund, in accordance with its Gleneagles commitment.

Analyst: Barbara Tassa

6. Russia: +1

Russia showed interest in limiting the spread of HIV/AIDS and met its Gleneagles HIV/AIDS commitment, in spite of criticism of its domestic programs and its relatively small level of Global Fund funding. In late August 2005, Russian Foreign Minister Sergey Lavrov was quoted in the Moskovskiy Novosti Newspaper as stating that the “topic of fighting epidemics, AIDS, malaria and tuberculosis: would be one of the “massive initiatives” Russia would be introducing during their G8 presidency.” In a report released in late November by UNAIDS and the WHO, it was reported that Russia had “the biggest AIDS epidemic in all of Europe” fuelled primarily by a large number of injection drug users. According to the report, infections in Eastern Europe, Central Asia and Russia were rising due to unprotected sex, which was followed by the deputy of the Russian Ministry of Public Health announcing government plans to devote US$107 million in 2006 and US$267 million in 2007 to an “unprecedented effort” to fight the disease domestically. In terms of funding, Russia met its 2005 Global Fund pledge of US$10 million,

and has already paid US$2.5 million of its US$10 million pledge for 2006. Although Russia fulfilled its commitments, and must merit a score of +1, it must be noted that Russia’s commitments to the Global Fund are the lowest among G8 members.183

Analyst: Abby Slinger

7. United Kingdom: 0

In spite of progressive announcements about its Gleneagles HIV/AIDS funding commitment, the United Kingdom is still behind on its 2005 pledges to the Global Fund and so its work in this regard must be considered to be a work in progress. During its presidency of the G8, the British government placed issues relating to Africa, including HIV/AIDS, prominently on the agenda and has shown political leadership in stressing the importance of the allocation of funds for HIV vaccine and microbicide development to prevent the transmission of HIV to women. From a fiscal standpoint, however, the UK did not complete payment of its 2005 pledge for US$155 million to the Global Fund, with over US$66 million still outstanding in mid-2006.184 While it is one of the largest government contributors and financiers of this commitment, the UK also has yet to complete payment of its 2006 pledge of over US$112 million.185

London has taken steps to finance and logistically support the Global Fund, including plans for contributions of £100 million at the Replenishment Conference in September 2005 for both 2006 and 2007.186 The UK Department for International Development (DFID) also continues to work closely with the Global Fund on the country level to ensure adequate support for HIV/AIDS programs. Therefore, the UK has shown some level of compliance with the G8’s HIV/AIDS commitment.

Analyst: Barbara Tassa

8. United States: +1

The United States has shown leadership and achieved full compliance with its 2005 G8 health commitment for Global Fund donations and has continued to stress the importance of its commitment. At the September 2005 Replenishment Meeting for the Global Fund, the US government pledged US$600 million for both 2006 and 2007, making it the largest country donor to the Global Fund.187 At the end of May 2006, the US House of Representatives

Appropriations Committee approved a bill that included US$445 million to fully fund the US commitment to replenish its pledge to the Global Fund.\textsuperscript{188}

In addition to financial leadership, in early December, the US government, which provides half of all funding to fight HIV/AIDS, called on other countries to increase their contributions.\textsuperscript{189} Thus, the United States can be considered to have shown full compliance with its Gleneagles commitment in the fight against HIV/AIDS.

\textbf{Analyst: Abby Slinger}

\textbf{9. European Union: +1}

The European Union registered full compliance with the Gleneagles commitment to combat HIV/AIDS. At the Global Fund Replenishment Meeting in September 2005, the European Commission pledged US$90 million for the 2006 year, with nearly US$120 million in negotiations for the 2007 year, thereby showing its resolution to ensuring funding for Global Fund initiatives.\textsuperscript{190}

The severity of the HIV/AIDS pandemic was given even greater prominence by the Commission of European Communities on 15 December 2005 when the Commission released a statement to the European Parliament outlining the mandate of the Commission on combating HIV/AIDS within the European Union and its neighbouring states, effective from 2006 to 2009.\textsuperscript{191} The cornerstone of this mandate was initially set at the United Nations General Assembly Special Session on HIV/AIDS, during which Heads of State and Government met on the matter from 25 to 27 June 2001.\textsuperscript{192} Indeed, the mandate released by the European Commission in December 2005 exceeds the framework established by the UN General Assembly Special Session on HIV/AIDS from 2001.

The mandate of the European Commission is quite comprehensive and outlines the standards to be promoted by all European Union member states including greater emphasis on HIV/AIDS prevention, increased involvement with civil society in policy development and implementation of HIV/AIDS prevention and response. The mandate extends beyond the European Union member states to include future assistance to be offered to the Russian Federation in HIV/AIDS


prevention and reduction. Given the extensive analysis, mandate, and commitment of the European Commission in meeting the standards promoted by the G8 on the matter of HIV/AIDS, the European Commission has achieved full compliance with the Gleneagles commitment.

Analyst: Barbara Tasa

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Health: Polio Eradication

Commitment:

“Supporting the Polio Eradication Initiative for the post eradication period in 2006-8 through continuing or increasing our own contributions toward the $829 million target and mobilizing the support of others.”

-Africa, 8 July 2005

Background:

In 1988, the World Health Organization created the Global Polio Eradication Initiative (GPEI), an international public health effort to eliminate polio. Spearheaded by the World Health Organization (WHO), Rotary International, United Nations Children’s Fund (UNICEF), and the Centers for Disease Control; the GPEI relies on government and private sector donations to achieve its goals. November 2005 analyses show six countries with endemic polio (Nigeria, India, Pakistan, Niger, Afghanistan, and Egypt), and ten countries that were re-infected (Somalia, Yemen, Indonesia, Sudan, Ethiopia, Angola, Mali, Cameroon, Chad, and Eritrea). At the 2004 Sea Island Summit, the G8 released the G8 Commitment to Help Stop Polio Forever in which G8 members committed to closing the 2004-2005 funding gap in the GPEI budget. As of July 2005, the funding gap had been closed. At the 2005 Gleneagles Summit, leaders pledged to support the 2006-2008 post-eradication period by continuing or increasing contributions towards the US$829 million target for the 2006-2008 period. At the completion of the interim compliance period, the GPEI still faced a funding shortfall of US$750 million for 2006-2008. At the end of the Gleneagles compliance period the GPEI faces a funding shortfall of US$485 million — US$85 million of which is needed to finance its remaining 2006 initiatives. Hence, increased contributions since the interim reporting period have narrowed but not eliminated the funding shortfall.

Team Leader: Laura Hodgins

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Assessment:

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Individual Country Compliance Breakdown:

1. Canada: +1

Canada has registered full compliance with its commitment to support the Global Polio Eradication Initiative through the 2006-2008 post-eradication period. Since 1988 Canada has been one of the top five donors to the GPEI, donating over CAD$165 million. In the May 2006 Budget, Prime Minister Stephen Harper promised up to CAD$320 million “to fight polio, tuberculosis, malaria and HIV/AIDS and to help low-income countries cope with natural disasters or sharp rise in commodity prices.”\(^{202}\) Included in this pronouncement was US$39 million for the Global Polio Eradication Initiative (GPEI). New contributions received to the GPEI during the January to April 2006 period, such as the US$39 million from Canada, have enabled planned immunization activities to go ahead.\(^{203}\)

Additionally, the Government of Canada has a grant agreement with the Canadian Rotary Committee for International Development whereby CIDA matches CAD$3 million, on a 1:3 basis, to the CAD$9 million pledged by Canadian Rotarians towards Global Polio Eradication Initiative activities in Africa. The funds are transferred in their entirety to the World Health Organization for expenditure. Under this agreement, CIDA has disbursed over CAD$1.7 million, based on confirmed donations from Canadian Rotarians.\(^{204}\)

Canada’s continued pledges of support for the GPEI and delivery of funding for the 2006-2008 funding period fulfills its commitment to the end of the Gleneagles compliance period.

Analyst: Russell Ironside

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2. France: -1

France has not demonstrated full compliance with the polio eradication commitment agreed to at the Gleneagles Summit. Despite promising US$12.8 million for the GPEI in 2006, the GPEI does not report receipt of any French pledges between January and April of 2006.\textsuperscript{205}

In addition, France has yet to indicate any plans to fulfill its US$12.8 million pledge to the GPEI. By failing to provide funds or indicate a timeline of funding to the GPEI for the post-eradication period, 2006-2008, France does not register full compliance with this commitment.

Analyst: Russell Ironside

3. Germany: +1

Germany has demonstrated full compliance with the polio eradication commitment agreed to at the Gleneagles Summit. As of April 2006, Germany had pledged a total of US$37.26 million to the Global Polio Eradication Initiative for the 2006-2008 period; pledging US$12.42 million for each of those years. This was the third largest pledge by a donor country in 2006.\textsuperscript{206}

Funds that have been mobilized in 2006 include US$160,000 that was contributed by the German National Committee for UNICEF and has financed the administration of oral polio vaccines in countries combating polio such as Ghana and Niger.\textsuperscript{207} Both the funds pledged and contributed thus far by the German government demonstrate its commitment to bridge the funding gap for polio eradication initiatives in the 2006-2008 period. Thus it receives a score of +1 indicating full compliance.

Analyst: Gunwant Gill

4. Italy: -1

Italy has not fulfilled its commitment towards polio eradication asserted at the Gleneagles Summit. Historically, Italy has been a strong donor to the GPEI, contributing a total of US$15.85 since 1988.\textsuperscript{208} Additionally, Italy allocated US$5.5 million to the Gleneagles polio eradication commitment for the 2006 fiscal year and contributed US$115,000 for outbreak response in Angola in 2005. Nevertheless, it has not provided any of its pledged funds for the post-eradication period, 2006-2008.\textsuperscript{209} Until the pledged funds materialize or other funding is allocated, Italy receives a score of –1, indicating non-compliance.

Analyst: Laura Hodgins

\textsuperscript{208} www.polioeradication.org/content/general/HistContributionWebMay06.pdf
5. Japan: -1

Japan has provided area specific funding and made significant multi-year funding commitments to health initiatives in Africa that include polio eradication, but as of 4 May 2006, Japan has not pledged any additional money towards the elimination of the US$85 million funding gap for the GPEI, and has not, therefore, registered compliance with the Gleneagles commitment.

In May 2005, Prime Minister Junichiro Koizumi announced a multi-year funding commitment of US$5 billion towards a “Health and Development Initiative” that will combat infectious diseases in Africa. The Action Plan is focused on countermeasures against (a) HIV/AIDS; (b) malaria and tuberculosis; (c) polio; (d) parasitic diseases; and (e) emerging infectious diseases including avian flu. In addition, Japan donated US$3.74 million to the United Nations Children’s Fund (UNICEF) to support the campaign against polio in Egypt in August 2005. More recently, Japan made a US$1.2 million emergency donation to fight polio outbreaks in Indonesia.

Historically, Japan is one of the top five donor countries to the GPEI. Its total contribution from 1988-2005 is calculated to be US$300.45 million. The provision of funds in 2005 and 2006 towards emergency outbreaks and the development of a multi-year funding plan that includes funds for polio eradication, while significant, do not meet the provisions of the Gleneagles commitment.

Analyst: Timothy Leung

6. Russia: -1

Russia has not registered compliance with the polio eradication commitment. In a 28 December 2005 statement on African-Russian relations, Deputy Foreign Minister Stortchak reaffirmed Russian commitment to infectious disease control in Africa, both as part of its role in the G8, and as part of the responsibilities that come with Russia’s increasingly stable economic position. He stressed Russia’s past contributions, however, but did not announce any new funding for the GPEI.


The Rotary Club acknowledged the Russian Federation, the largest non-governmental partner of GPEI, as a major donor to the GPEI in its January 2006 update. Yet although Russia is classified a fifth-tier donor, indicating that it has contributed between US$5-24 million from 1988 to 2008, it has offered no new commitments or delivered any funding for the post-eradication period. Russia thus receives a score of -1, indicating non-compliance with the polio commitment.

Analyst: Laura Hodgins

7. United Kingdom: +1

The United Kingdom has demonstrated compliance with the polio eradication commitment made at the Gleneagles Summit. The UK is the second largest public sector donor to the Global Polio Eradication Initiative (GPEI), most recently having pledged £40 million for the 2006-2008 post-eradication period. US$13.45 of this pledge was received by the GPEI during the January-April 2006 period. On 11 May 2006, Prime Minister Tony Blair was named Polio Eradication Champion by Rotary International as recognition of the UK’s continued commitment to the GPEI. The delivery of funds and stated commitment to multi-year funding registers the United Kingdom’s full compliance with the polio eradication commitment as stated at the Gleneagles Summit.

Analyst: Laura Hodgins

8. United States: +1

The United States registers full compliance with the commitment to fund the post-eradication period, 2006-2008. The United States has continued its significant support of the Global Polio Eradication Initiative (GPEI) during the Gleneagles compliance period and has pledged new funds to respond to the unexpected outbreak in Indonesia. The United States remains the largest government donor to the Global Polio Eradication Initiative.

The US provides support to the GPEI through the Center for Disease Control (CDC) and USAID. In 2005 the CDC allocated US$96,276,000 for worldwide polio vaccination. Before the

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Gleneagles Summit, the budget for 2006 requested US$96,324,000. This is a US$48,000 increase over the previous year. According to the autumn newsletter of the GPEI, USAID donated US$2 million for work in Afghanistan in the second half of 2005. In November 2005, Mr. Kent Hill, the Global Health Assistant Administrator of Health and Human Services announced a USAID commitment of an additional US$2.5 million for 2006 to combat the outbreak in Indonesia.

Since January 2006, USAID has pledged US$32 million for fiscal year 2006 and the CDC has pledged US$101.25 million. These pledges put the United States in full compliance with the Gleneagles polio eradication commitment.

9. European Union: +1

The EU has registered full compliance towards the polio eradication commitment made at the Gleneagles Summit. The European Commission pledged US$27.70 million in 2006 to the Global Polio Eradication Initiative (GPEI). The EU also recently contributed US$6.7 million to combat the recent polio outbreaks in Niger. The EU has not, however, pledged any contributions for the 2007-2008 post-eradication period. This non-committal stance towards future funding does not fully accord with the Gleneagles commitment to support the polio eradication initiative for the period 2006-2008. Nevertheless, the EU’s 2006 contributions indicate its support for the GPEI in the post-eradication period and therefore it receives a score of +1.

Analyst: Gunwant Gill

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Official Development Assistance

Commitment:

“We have agreed to double aid for Africa by 2010. Aid for all developing countries will increase, according to the OECD, by around $50 billion per year by 2010, of which at least $25 billion extra per year for Africa.”

-Chairman’s Summary (final press conference)²²⁹

Background:

Official Development Assistance (ODA) to Africa was one of the highest profile issue areas at the Gleneagles Summit. Tony Blair made it clear from the earliest days of summit planning that devising a strategy and targets for the attainment of the UN Millennium Development Goals would be one of the top priorities of the G8. The Make Poverty History Campaign added to the UK’s sense of responsibility to ensure the basic well being of the world’s poor by securing adequate amounts of aid money. In the weeks leading up to the summit, the G8 countries were divided over how much ODA to give and when to give it. The UK’s Commission for Africa suggested that G8 countries borrow from their future ODA budgets to grant African countries large enough sums of money to build infrastructure, which would have a huge impact on local capacity for economic development. Unable to secure unanimous support on this approach, the UK agreed to the doubling of 2004 aid levels by 2010. Because of this commitment, civil society groups were satisfied with the G8 commitment on aid; Bob Geldof granted the G8 a 10 out of 10 on ODA. The degree to which G8 commitments have been translated into action, however, has been a bumpier road.

Team Leader: Mary Albino

Assessment:

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Individual Country Compliance Breakdown:

1. Canada: + 1

The Canadian government is continuing to make progress towards the fulfillment of its Gleneagles commitments to double Official Development Assistance (ODA) from its 2001/2002 levels by 2010/2011. The new minority Conservative government has shown a significant degree of continuity with the previous administration regarding ODA, increasing aid levels by about 8% annually. In the May 2006 Federal Budget, Finance Minister Jim Flaherty reaffirmed Canada’s commitment to double international assistance by committing to increase aid to CAD$3.8 billion by 2006–07 and then to CAD$4.1 billion in 2007–08. Flaherty promised a further CAD$320 million contingent on the expected 2005-2006 federal surplus being greater than CAD$2 billion.230 Included in this are CAD$250 million for the Global Fight against AIDS, CAD$45 million for the Global Polio Eradication Initiative and CAD$25 million to the International Monetary Fund’s new Exogenous Shocks Facility. 231

The budget represents a departure from the Conservative’s 13 January 2006 election pledge to improve on the previous administration’s aid levels by boosting overseas development assistance by CAD$425 million over five years and move Canada towards the average level for OECD members.232 The average for OECD member is about 0.42% of Gross National Income (GNI). This commitment also departed from the UN Millennium Development Goals, as the Harper government has distanced itself from the previous administration’s goal to reach 0.7% of GNI for aid by 2015. The Canadian International Development Agency (CIDA) and Minister of International Cooperation Josée Verner have placed slightly less emphasis on African development assistance than the previous administration233, emphasizing governance and democratization particularly in Haiti and the Middle East.234

Analyst: Michael Manulak

2. France: +1

France has demonstrated a significant degree of compliance with the 2005 commitment to double aid to Africa by 2010, in accordance with the OECD projection that aid to developing countries will reach $50 billion per year by that time.

France, along with those European Union member-states belonging to the OECD Development Assistance Committee, has pledged to increase the EU’s collective ODA/GNI to 0.56% by

2010. While France favours such increases in foreign aid, it also believes that in order to meet the Millennium Development Goals, aid flows should be made more stable and predictable through the establishment of new mechanisms to finance development aid. Towards this end, President Jacques Chirac chaired a conference on Innovative Development Financing Mechanisms in February and March of 2006, with the outcome being a declaration of support for such financing mechanisms as a solidarity tax on airline tickets with the potential to increase Official Development Assistance by hundreds of millions of dollars annually.

Although France’s 2006 budget projects Official Development Assistance totalling 0.47% of GNI, allowing them to reach their Monterrey target of 0.5% in 2007, due to fiscal constraints it remains to be seen whether aid to Africa will be doubled by 2010. However, at the Africa-France Summit of December 2005, President Chirac did pledge that France would reach the mark of 0.7% ODA/GNI by 2012, representing some commitment to a significant increase in development aid.

Analyst: Daniel McCabe

3. Germany: +1

The German government has continued to make progress in its efforts to implement its Gleneagles commitments on ODA. In its 2006 budget, the German government aid levels reached 0.35% of Gross National Income (GNI) and Minister of Economic Cooperation and Development, Heidemarie Wieczorek-Zeul reaffirmed Germany’s commitment to the EU development assistance plan. “We are beholden to this Plan. The budget increase of €300 million for development cooperation this year proves that we will consistently implement this Plan.”

As per its Gleneagles commitments, Germany has committed to increase ODA to 0.51% of Gross National Income (GNI) by 2010 and further to 0.7% by 2015, predominantly through the Department of Economic Cooperation and Development. At the 11-13 May 2006 EU-LAC Summit in Vienna, the German government further acknowledged the EU Member States’ and

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its Gleneagles commitments.\(^{241}\) This commitment to increasing aid, and to the concurrent Millennium Development Goals, was reaffirmed again in the German Foreign Office’s most recent publication on its global commitments.\(^{242}\)

In May 2006, the German government signed an agreement to deepen its support for NEPAD (New Partnership for Africa’s Development), particularly in the areas of good governance, private sector development and water.\(^{243}\) This agreement builds on the Minister’s role in the Africa Partnership Forum in Maputo, Mozambique, in which the G8 conducts dialogue with members of NEPAD countries, the OECD and other multilateral organizations. The German aid focus on the role of governance and sustainability in development has brought attention to areas commonly neglected by donors and has drawn praised by the OECD Development Assistance Committee.\(^{244}\)

**Analyst: Michael Manulak**

### 4. Italy: -1

Italy has not made meaningful progress on the commitment to increase its Official Development Assistance to Africa. While it is difficult to find the numbers directly from the government of Italy, who is behind in the release of its official annual reports regarding ODA (the latest available online is 2002), other analytical sources, such as the OECD and news articles indicate the absence of sufficient progress.

Italy has traditionally been one of the worst performers in the OECD in terms of aid volume.\(^{245}\) The Millennium Campaign predicted Italy would perform more like the poorest members of the EU such as Malta and the Czech Republic in terms of aid than like its rich G8 counterparts.\(^{246}\) Indeed, in May 2005, before Gleneagles but after the members of the European Union agreed to double aid to Africa by 2010, the government of Italy, along with the Germany, immediately

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issued a statement saying that budget problems may mean they hit EU borrowing limits and thus don’t meet the aid target.\textsuperscript{247}

According to the OECD, Italy’s rate of ODA increased by nearly 100\% from 2004 to 2005; most of this channelled through multilateral organizations.\textsuperscript{248} This is laudable progress, but in 2004, Italy was allocating only 0.14\% of GNI to ODA, less than 1/3 of Germany’s levels of even less than Sweden and less than 1/3 of the average rate of the EU-15.\textsuperscript{249}

The government of Italy has been criticized for not having appropriate institutional capacity for granting and monitoring aid flows. There is no specific agency parallel to the Canadian International Development Agency, for example; it is the Ministry of Foreign Affairs that administers and monitors aid flows.\textsuperscript{250} According to a January 2006 report by the Millennium Campaign, Italy had not released a detailed implementation schedule strategy for how it would meet its commitments to double aid, despite its heavy budgetary constraints.\textsuperscript{251} Despite the modest improvement shown in 2005, the first half of the summit cycle, Italy earns a score of -1.

5. Japan: -1

Japan has shown very little progress in its efforts to meet the ODA commitments made at the 2005 Gleneagles Summit. Following the Summit, Prime Minister Koizumi reiterated Japan’s commitment to “realize a strategic expansion of its ODA volume in order to ensure a credible and sufficient level of ODA.”\textsuperscript{255} Koizumi also stated that, “Japan intends to increase its ODA volume by US$10 billion in aggregate over the next 5 years. Japan will also double its ODA to Africa specifically in the next 3 years.”\textsuperscript{253}

The Japanese Cabinet Office has since requested an additional ¥55.8 million in the 2006 budget for ODA. However, these funds will be used exclusively to conduct the “Study on the Basic Strategy of Economic Cooperation” and the “Study on the Promotion of Building a Disaster

Reduction System in Developing Countries.” Both studies intend to make ODA delivery more effective.

Unfortunately, Japan’s 2006 government budget cut ODA spending by around 3.4 percent and PM Koizumi’s pledges have yet to be realized in any tangible way. It thus remains unclear whether Japan will be able to meet its commitment to provide the additional funds pledged at the 2005 Gleneagles Summit.

Analyst: Johannes Bast

6. Russia: -1

While Russia has demonstrated an interest in increasing dialogue and co-operation with African states, limited progress has been made in following through with the Gleneagles commitment to double Official Development Assistance to Africa.

Russian foreign policy has emphasized the provision of technical assistance to Africa as well as the promotion and expansion of trade, although these priorities have not precluded Russia from taking action on debt relief, as they have pledged to write off $11.3 billion dollars (US) in African debt. In his annual address to the Federal Assembly, President Vladimir Putin reiterated Russia’s desire to develop mutual trade and investment and expand educational ties with Africa, yet he made no specific commitment to work towards a doubling of ODA to Africa by 2010.

Analyst: Daniel McCabe

7. United Kingdom: +1

The United Kingdom has registered a high level of compliance with its commitments to ODA. With development aid as a high-ranking priority, the UK has taken a leadership role in ensuring that the rest of the G8 also follow through on their commitments by initiating the Africa Partnership Forum’s Joint Action Plan and the Gleneagles Implementation Plan.

By 2007/08 the Department for International Development (DFID) will see its budget increased to more than £5.3 billion a year. As a result, total UK official development assistance, which contains spending on development outside of DFID's budget, will reach nearly £6.5 billion a year.

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The UK is poised to meet its commitments by continuing its work through the New Partnership for Africa’s Development (NEPAD) and the International Finance Facility (IFF), which frontloads aid through the international capital markets. The bulk of the UK’s development assistance is likely to be provided through DFID’s country programs, which support country’s own initiatives for national development and poverty reduction, and via multilateral organizations such as the World Bank or European Commission (EC).

On 6 October 2005, the Infrastructure Consortium for Africa was launched and committed itself to identify funding for 5 priority African projects by June 2006. Unfortunately, the promised identification has been delayed by a few months. Nevertheless, the UK has committed £20 million over 3 years to support the establishment of this unique ODA consortium.

On 15 December 2005, the UK government was recognized as the single largest donor for the UN Central Emergency Response Fund, with £40m pledged. At the Ministerial Conference on Innovative Financing Mechanisms, which took place from 28 February to 1 March 2006, the UK established a working group with France on the implementation of the International Finance Facility (IFF) funded by air ticket levies.

Most importantly, on 10 April 2006, the UK government announced a commitment to finance ten-year education plans in Mozambique. The UK commitment of £8.5 billion was comparable to a figure of less than £2 billion over the last 10 years. In addition, the UK announced immediate capacity funding for assisting the African and other developing countries draw up their ten-year plans. The UK also announced additional £100 million contribution to the Education Fast Track Initiative.

Analysts: Tina Park and Johannes Bast

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8. United States: 0

The United States has made some progress towards complying with its ODA commitment of doubling aid for Africa by 2010. According to the Organization for Economic Co-operation and Development (OECD) the United State’s net Official Development Assistance increased from US $19.7 billion in 2004 to US$ 27.5 billion in 2005. Its ODA/GNI ratio also rose from 0.17% to 0.22%. In FY 2006, the United States allocated $3.6 billion for non-food aid to Africa. This is a small increase from the US$3.4 billion allocated in FY 2005. While the United States has increased its overall ODA and aid to Africa, the increase is minimal if it hopes to double its aid by 2010. Likewise, the United States Agency for International Development’s request for funding for programs in Africa actually decreased from 1.4 billion in FY 2005 to 1.2 billion in FY 2006.

Analysts: Tony Navaneelan and Vanessa Corlazzoli

9. European Union: +1

The European Union, as a whole, has made positive progress towards fulfilling the commitments made in 2005. Despite the fact that the EU carried an extra burden due to public commitments made by the 25 EU government officials prior to the Gleneagles summit, the EU has demonstrated a satisfactory level of compliance. On 12 October 2005, the European Commission adopted the EU Strategy on Africa, a comprehensive document intended to detail and coordinate a single general development policy between Africa and the 25 EU member-states. In the document, the European Commission restates the commitment approved by the European Council in June 2005 to “increase ODA to 0.56% of GNI by 2010 and 0.7% by 2015.” This would call for an additional €20 billion per year in ODA by 2010. Subsequently, this commitment became an official EU policy on 15 December 2005, as the EU’s 25 heads of state endorsed the EU Strategy for Africa.

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December 2005, the EU member states agreed at the General Affairs and External Relations Council to create a new EU-Africa partnership. The target of €1 billion per year by 2010 was set by the European Union.\textsuperscript{277}

Most notably, the EU Development Ministers met in Luxemburg on 11 April 2006 to discuss the progress on the EU strategic partnership with Africa.\textsuperscript{278} The Ministers agreed to €300 million medium-term funding (2008-2010) for the Africa Peace Facility and to continue the good progress towards meeting the new EU aid volume targets, as agreed at Gleneagles in May 2005.\textsuperscript{279} The Council confirmed that the EU remains well on track to achieve the collective target agreed in 2002 of providing 0.39% ODA by 2006.\textsuperscript{280}

Analyst: Tina Park


Debt Relief: Africa

Debt Relief (Africa):

“The G8 has also agreed that all of the debts owed by eligible heavily indebted poor countries to IDA, the International Monetary Fund and the African Development Fund should be cancelled, as set out in our Finance Ministers agreement on 11 June.”

-Chair’s Summary\(^{281}\)

Background:

Launched by the IMF and the World Bank in 1996, the Heavily Indebted Poor Country (HIPC) Initiative joined together multilateral institutions, the Paris Club and official bilateral creditors in a comprehensive approach aimed at reducing the external debts of low-income, heavily indebted poor countries.\(^{282}\) Under the HIPC plan, developing states would have to adopt extensive IMF- or World Bank-supported structural reform strategies in order to become eligible for comprehensive debt relief.\(^{283}\) As a result, debt relief would only become available to a limited number of countries, and at even slower rates. In preparations for the 1999 Cologne Summit, the G8 Finance Ministers expressed concern about the “vulnerability of many HIPC’s to exogenous shocks” and called for “faster, deeper and broader debt relief for the poorest countries that demonstrate a commitment to reform and poverty alleviation.”\(^{284}\) Cognizant that the mounting debt stocks of the developing countries are hindrances to economic growth and to sustainable development, at Cologne, the G8 introduced the Enhanced HIPC Initiative by reinforcing the old HIPC framework with “the prospects for a robust and lasting exit for qualifying countries from recurrent debt problems.”\(^{285}\) To date, several developing countries have benefited from the Enhanced HIPC Initiative. Since then, particularly with the adoption of the Africa Action Plan at the 2002 Kananaskis Summit, “good governance, prudent new borrowing, and sound debt management” have been explicitly tied to debt relief.\(^{286}\) At the 2005 Gleneagles Summit, the G8 leaders met with the heads of the IMF, the World Bank and African leaders to discuss new debt relief strategies that could help HIPC states achieve the framework of the UN Millennium Development Goals (MDGs). On 8 July 2005, the G8 announced that it would cancel 100% of


the debts held by 18 eligible HIPC countries, all of which are in Africa. While many anti-poverty campaigners and NGOs remained critical of the outcome, believing the G8 could and should do more, UN Secretary-General Kofi Annan said that the announcement marked the beginning of the fight against global poverty.

Team Leader: Susan Khazaeli

Assessment:

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Individual Country Compliance Breakdown:

1. Canada: +1

The Canadian government took the necessary steps to comply with its Gleneagles commitment on African debt relief. It encouraged multilateral creditors to adopt the G8 proposal for 100% debt reduction for eligible low-income and qualifying HIPC. In late September 2005, former Finance Minister Ralph Goodale called on the IMF to fulfill “its core competency of helping countries achieve macroeconomic stability through policy advice, capacity building and, when necessary, financial assistance.” Accordingly, the Department of Finance announced Canada’s commitment of an additional CAD$1.3 billion toward “further and better debt relief.”

In autumn, Canada also took part in the reorganization and reduction of Nigeria’s debt to the Paris Club creditors. More recently, at a G8 Finance Ministers meeting, held in Moscow from 10-11 February 2006, Canada praised the IMF’s decision to implement 100% debt relief for qualifying HIPC countries, and encouraged the International Development Association and the

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African Development Fund to “finalize urgently all necessary steps for implementation.”\(^{292}\) The Canadian government remains committed to debt reduction. At an IMF meeting on 22 April 2006, Finance Minister Jim Flaherty reaffirmed this commitment, saying that “Canada has contributed to the costs of IMF debt cancellation and will contribute to the Exogenous Shocks Facility.”\(^{293}\) Canada appreciates the link between debt sustainability and good governance. Thus, by alleviating the repayment burden, heavily indebted countries can focus on development, and gear the freed resources toward poverty reduction.

Analyst: Susan Khazaei

2. France: +1

France continues to make significant progress towards fulfilling its G8 commitment on African debt relief. In late October 2005, France agreed to a large debt relief package, which purports to cancel about 60% of Nigeria’s debt to the Paris Club.\(^{294}\) Consequently, Nigeria was able to pay off its final installment to its Paris Club creditors, becoming the first African nation to do so.\(^{295}\)

The French government has also successfully advocated the cancellation of debt under the Multilateral Debt Relief Initiative (MDRI). On 5 January 2006, France was part of the IMF initiative that extended 100% relief to 19 countries on all outstanding debt prior to 1 January 2005.\(^{296}\) The following day, the IMF delivered an estimated US$3.4 billion to these countries.\(^{297}\) Acting through the Paris Club, France relieved Nigeria of 60% of its debt.\(^{298}\) More recently, the World Bank announced that it would provide an estimated US$37 billion in debt relief over the next four decades to eligible indebted countries, many of them in Africa.\(^{299}\) On April 28, Cameroon became the 19th African country to become eligible for debt relief from the World Bank, International Monetary Fund, and the African Development Bank under the Heavily Indebted Poor Country (HIPC) initiative.\(^{300}\) As a result, the French government has pledged


US$195 million in debt relief to the country for urban development.\textsuperscript{301} France maintains support for future debt relief for HIPC countries, which have met the requisite criteria of the initiative.

Analyst: Tiffany Kizito

3. Germany: +1

Germany registered strong compliance with regard to its Gleneagles’ commitment on African debt relief. Berlin demonstrated strong support for the debt cancellations of eligible HIPC countries. On 22 April 2006, the World Bank approved the Multilateral Debt Relief Initiative (MDRI), canceling the debts of 17 eligible countries — many of them in Africa — under the Highly Indebted Poor Country (HIPC) initiative.\textsuperscript{302} The IDA is expected to begin providing some US$37 billion in debt relief in early July. At a meeting of the IMF’s International Monetary and Finance Committee, German Finance Minister Peer Steinbrück reaffirmed Berlin’s commitment, saying: “Germany is committed, on the basis of fair burden sharing and according to established criteria, to contribute to the costs arising from the extension of the list of eligible indebted poor countries (HIPCs) recently agreed to in the respective boards.”\textsuperscript{303} Elaborating on this subject, Steinbrück said that while Germany agreed to the “ring-fencing” of eligible HIPC countries, it would support new measures to accommodate other countries that were not yet included in the HIPC because of out-of-date financial data. While Germany supports the idea of extending relief to larger list of Least Developed Countries (LDC), it also advocates strong measures to prevent new accumulations of unsustainable debt.\textsuperscript{304}

Analyst: Alex Turner

4. Italy: +1

Italy complied with its Gleneagles’ commitment to African debt relief. Positive action includes Rome’s participation in Nigeria’s debt reorganization. After extending “strong support to Nigeria’s economic development policy,” Italy, alongside other Paris Club creditor nations, offered Nigeria an estimated US$18 billion in debt relief.\textsuperscript{305} Italy in particular cancelled roughly


€872 million out of a total of, now restructured, commercial credits and aid credits worth one billion and a half euros.306

Analyst: Nina Popovic

5. Japan: +1

Japan demonstrated strong compliance with Gleneagles’ commitment to debt relief in Africa. Tokyo has successfully advocated multilateral debt cancellations for eligible HIPC countries to the IDA, IMF, and the African Development Fund. On 22 April 2006, the World Bank approved the Multilateral Debt Relief Initiative (MDRI), calling off the debt of 17 countries, which have reached the Highly Indebted Poor Country (HIPC) initiative point of completion.307 The IDA set 1 July 2006 as the start date for the estimated US$37 billion of debt relief package.308 This followed an IMF announcement on 22 December 2005 of 100% debt relief under the MDRI for 19 eligible HIPC countries.309

Japan also supports extending debt relief to a greater number of countries as they become eligible under the HIPC initiative. For instance, the Japanese government endorsed the IMF and World Bank’s joint approval of Cameroon’s completion point under the HIPC.310 At a meeting of the International Monetary and Finance Committee on 22 April, Japanese finance minister H.E. Sadakazu Tanigaki discussed the MDRI coming to completion in January 2006, saying “I hope these countries...make effective use of the resources freed up by debt relief.”311 He also stressed that the IMF must tighten its debt monitoring capabilities to preclude excessive debt collection in the future.312

Analyst: Alex Turner

306 www.esteri.it/eng/6_38_90_01.asp?id=2192&mod=1
6. Russia: +1

The Russian Federation continues to actively support debt reduction initiatives for low-income countries. On 6 January 2006, Russia joined other IMF creditor nations in forgiving US$3.3 billion of debt owed by 19 countries under the Heavily Indebted Poor Country (HIPC) initiative. In late October, Russia demonstrated compliance by participating in the cancellation of a substantial portion of Nigeria’s debt to the Paris Club group of creditor nations. On 31 March 2006, Russia signed the last of five bilateral agreements with Nigeria, forgiving some US$23.2 million in debt. Deputy Russian Finance Minister, Sergey A. Storchak praised the agreement, saying he hoped “that coming years would bring growth in the relationship between the two countries.” In preparation for St. Petersburg, Aleksey Kudrin, the Russian Finance Minister, announced that Moscow will write off 100 percent of the debt owed to Russia by at least 15 developing states, most of them in Africa. The countries that will benefit from this announcement are: Benin, Zambia, Madagascar, Mozambique, Tanzania, Ethiopia, Guinea, Guinea-Bissau, Sao Tome and Principe, Chad, Burundi, Congo, Somalia, Sudan, and Central African Republic. Finally, in June 2006, Kudrin announced that Moscow would write off US$688 million owed by African countries and channel US$250 million through a debt-for-development swap back World Bank projects in Africa, particularly projects that help African states gain access to cheap energy and fight infectious diseases.

Analyst: Eugene Berezovsky

7. United Kingdom: +1

The United Kingdom demonstrated continued leadership in advocating the Gleneagles commitments on debt relief. On 22 March 2006, British Finance Minister Gordon Brown delivered the government’s annual budget which stipulated that “the UK will continue to pay its share of the debt service owed to the World Bank and African Development Bank by other low-income countries that meet the criteria for ensuring that the debt service savings are used for poverty reduction.” The budget also fulfilled an earlier commitment reached in late October 2005 to cancel a substantial portion of Nigeria’s debt to the Paris Club. With the passing of the

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budget, the British government has written off £4.5 billion of debt owed to it by Nigeria.\textsuperscript{321} The United Kingdom has also carried through on a commitment to cancel the debts of 19 eligible countries under the Heavily Indebted Poor County (HIPC) initiative.

The United Kingdom has also successfully advocated multilateral debt cancellations for eligible HIPC countries to the IDA, IMF, and the African Development Fund. Following the IMF’s announcement to cancel the debts of 19 qualifying countries,\textsuperscript{322} the World Bank also approved the Multilateral Debt Relief Initiative (MDRI), calling off the debts of 17 eligible HIPC countries.\textsuperscript{323}

Analyst: Eugene Berezovsky

8. United States: +1

The United States fulfilled its Gleneagles commitment to African debt relief. In February 2006, the United States was part of the IMF initiative that extended 100% relief to 19 countries, several of them in Africa, on all outstanding debt.\textsuperscript{324} This relief is estimated at about US$3.4 billion.\textsuperscript{325} The American administration has also been successful in advocating multilateral debt relief under the Multilateral Debt Relief Initiative (MDRI) of the World Bank, which has since pledged US$37 billion over four decades in debt relief to 19 eligible Heavily Indebted Poor Countries (HIPC).\textsuperscript{326} American support for debt relief has been positive: the United States participated in the cancellation of 60% of Nigeria’s debt to the Paris Club creditors in late October 2005, helping to make Nigeria the first African country to successfully eliminate its foreign debt.\textsuperscript{327}

More recently, the administration reaffirmed America’s commitment to the HIPC initiative. The current draft of the 2007 budget includes a provision for 100% debt cancellation to qualifying

HIPC Projects. On 28 April 2006, the U.S. joined its fellow IMF members in declaring Cameroon’s eligibility for debt relief under the HIPC initiative.

Analyst: Tiffany Kizito

9. European Union: +1

The European Union complied fully with its Gleneagles commitment to African debt relief. In October 2005, Brussels reaffirmed the “need for broader and deeper debt relief.” Also in October 2005, the EU adopted a new proposal, “EU Strategy for Africa.” While the strategy focuses primarily on helping African states attain the UN Millennium Development Goals (MDGs), debt relief is also a factor. The strategy maintains that “apart from remaining committed to full implementation of the enhanced HIPC initiative, the EU would consider supporting new international initiatives, which might for example cover countries emerging from conflict or suffering from external exogenous shocks.”

In addition to the aforementioned proposal, the EU Finance Ministers have been instrumental in promoting the G8’s debt cancellation plan to the shareholders of the International Monetary Fund and of the World Bank. Following a meeting with his EU equivalents on 10 September 2005, Britain’s Foreign Minister, Mr. Gordon Brown, expressed his hope that, “at the annual meetings in a few days time all the shareholders of the International Monetary Fund and the World Bank will be able to vote on a debt relief package that will wipe out the stock of debt of the poorest countries.” Pressures on the IMF have thus far been successful. In December, the IMF announced that it would offer 100% debt relief, approximately US$3.3 billion, to 19 eligible nations.

Analyst: Nina Popovic

Promoting Growth: Africa

Commitment:

“We agree to support a comprehensive set of actions to raise agricultural productivity, strengthen urban-rural linkages and empower the poor, based on national initiatives and in cooperation with the AU/NEPAD Comprehensive Africa Agriculture Development Programme (CAADP) and other African initiatives.”

-Africa Report334

Background:

The Promoting Growth commitments contained in the Africa Report released by the G8 on 8 July 2005 builds upon a framework of cooperation established by the United Nations, the G8, and African leaders. At the Kananaskis Summit in 2002, the G8 countries agreed to establish an Africa Action Plan (AAP). The G8 Africa Action Plan contains commitments on promoting peace and security; strengthening institutions and governance; fostering trade, economic growth, and sustainable development; implementing debt relief; expanding knowledge; improving health and confronting HIV/AIDS; increasing agricultural productivity; and improving water resource management.335 The Africa Action Plan was also intended to complement the New Partnership for Africa’s Development (NEPAD). NEPAD is a program of the African Union designed to meet its development objectives and overcome its greatest challenge: the increasingly impoverished state of the continent. NEPAD aims to facilitate international assistance with African initiatives to address issues such as escalating poverty levels, underdevelopment, and the continued marginalization of Africa. Founded on the idea of mutual accountability, the NEPAD framework is based on the idea that if Africa is going to achieve the goals set out in NEPAD, both African governments and the international community must meet their commitments to African aid and development. These commitments include African Governments’ commitments through NEPAD to improve economic and political governance, the G8’s commitments as stated in the Africa Action Plan, and international commitments to meet the United Nation’s Millennium Development Goals.336 Under the auspices of NEPAD, African governments have proposed a Comprehensive Africa Agriculture Development Program (CAADP). Launched in November 2002, the objective of CAADP is to increase agricultural output in Africa by 6 percent a year over the next 20 years.337 Hence, the commitments made at Gleneagles to support increases in agricultural productivity are fundamentally linked to the work being undertaken by

NEPAD and the nations of Africa. Compliance with this commitment must thus be demonstrated by a cooperative aid approach that includes the NEPAD/CAADP framework.

Team Leader: Laura Hodgins

**Assessment:**

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**Individual Country Compliance Breakdown:**

1. **Canada: +1**

Canada demonstrated a very high level of compliance to its commitment to promote growth in Africa. Canada channels its contributions to African development through the Canada Fund for Africa, a CAD$500 million fund created by former Prime Minister Jean Chrétien prior to the Kananaskis Summit where the G8 established the Africa Action Plan.\(^{338}\) Through this fund Canada has pursued closer collaboration with the New Partnership for Africa’s Development (NEPAD), the African Union, and various African governments in order to facilitate the fulfillment of the Africa Action Plan.

The Canada Fund for Africa Secretariat will disburse CAD$2,500,000 as the budget for the Canada Fund’s NEPAD Outreach Fund.\(^{339}\) The Canada Fund for Africa made a CAD$40 million investment for Africa-specific research at the Consultative Group on International Agricultural Research and a CAD$30 million investment for the construction of a bio-sciences centre for agriculture in Kenya.\(^{340}\)

Moreover, Canada’s 2005 Budget promised to double aid to Africa from 2004-05 levels by 2008-09. The International Policy Statement also pledged to continue to press forward, in close collaboration with other partners in Africa and other donors, to support regional initiatives such

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The 2006 Budget retains this commitment where Canada’s international assistance will grow to about $3.8 billion in 2006-07 and then to approximately $4.1 billion in 2007-08. Canada also recently introduced a number of new initiatives aimed at promoting growth in Africa. Canada Investment Fund for Africa (CIFA) was launched in Africa on October 12, 2005. This 10-year fund aims to channel at least $200 million in new investment by leveraging a $100 million contribution from the Canada Fund for Africa and serves as a bridge from Canada’s commitments at Kananaskis to a continuing engagement with Africa based on partnership and strategic support to key needs.

Additionally, on 24 November 2005, the former Minister of International Cooperation, Ms. Aileen Carroll, announced that Canada will contribute more than CAD$64 million through CIDA to new private sector development (PSD) initiatives to help alleviate poverty in developing countries. The former minister also committed to hosting an annual PSD conference beginning in 2006. Of this CAD$64 million, CAD$9.3 million will go to revitalizing the agri-food system in Burkina Faso. Other investments aimed at improving agricultural growth in Africa include initiatives in Ghana to support food security (CAD$85 million), initiatives in Mozambique regarding agriculture-based private sector development and projects in Ethiopia to improve productivity and market access (CAD$19 million).

Canada’s provision of funding and establishment of specific and collaborative initiatives with respect to the promoting growth commitment indicate a high level of compliance. Canada thus receives a score of +1 for the promoting growth commitment made at the 2005 Gleneagles Summit.

Analyst: Laura Hodgins

2. France: 0

The Government of France made few commitments to promote growth in Africa in the aftermath of the Gleneagles Summit. The one area in which France demonstrated some commitment has

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been in building trade capacity in Africa. The French Finance Minister, Thierry Breton, participated in the decision announced at the December 2005 meeting of the G7 Finance Ministers in London to increase funding for ‘aid for trade’ (trade capacity building) by $4 billion.\(^{347}\) France subsequently renewed its commitment to fund ‘aid for trade,’ at the annual spring meetings of the IMF and World Bank. At those meetings the Finance Minister signed the IMF communiqué that endorsed ‘aid for trade’ initiatives for poor countries grounded in national development strategies.\(^{348}\) These, however, were broad global commitments and were not accompanied by French announcements of new specific initiatives or programs aimed at facilitating trade capacity building in Africa.

In addition to directing French funding towards multilateral ‘aid for trade’ schemes, France has undertaken smaller initiatives towards promoting growth in Africa. Notable is President Chirac’s use of the December 2005 Africa-France Summit in Bakamo to emphasize the importance of supporting and training African youth. In his opening address, he highlighted the need to promote education and increase the number of centres for apprenticeship and vocational training in Africa.\(^{349}\) The French Development Minister also signed a partnership convention between the Ministry of Foreign Affairs, the French Development Agency, and the Permanent Conference of African and Francophone Chambers [of Commerce, Agriculture, Industry and Crafts]. This convention will increase the availability of tools to support the growth of small business and occupational training in Africa.\(^{350}\) The French government has also sought to expand African trade through its participation in the European Union’s ‘Everything but Arms’ scheme, providing duty and quota-free access to the European market for imports from impoverished African countries.\(^{351}\)

While France has shown fidelity to some aspects of the Gleneagles plan, it missed the opportunity to substantially expedite the progress of the Doha Development Round. While agreeing to the pledge made in Hong Kong to eliminate agricultural export subsidies by 2013, the Government of France took no step to reform existing EU CAP subsidies either in Hong Kong or at the December meeting of the European Council in Brussels. This inaction missed an


opportunity to create new opportunities for African export growth. President Chirac instead urged ‘vigilance’ to ensure the stability of the CAP through to 2013.\textsuperscript{352}

Finally, France has demonstrated great leadership in promoting the development of innovative ways to finance development as a high priority on the international agenda. To that end, the Government of France hosted an international conference on Innovative Financing for Development, in Paris in March 2006. This culminated in a pilot International Finance Facility (IFF) applied towards immunization,\textsuperscript{353} with a significant portion directed towards Africa.\textsuperscript{354} While this initiative does not expressly satisfy the commitments France undertook to promote growth in Africa, it nonetheless advances the spirit of the Gleneagles summit to develop new ways to increase access to finance for African countries.

Indirect initiatives and proposals, however, are not a substitute for direct action designed to register compliance with the commitment to promote growth in Africa. The absence of an aid approach that includes the NEPAD/CAADP framework and focuses more specifically on growth promotion in Africa does not fully satisfy the commitment made at the Gleneagles Summit. Since France has undertaken broader initiatives that may become relevant to the promoting growth commitment at a later time, they receive a score of 0 indicating partial compliance.

Analyst: Steven Masson

3. Germany: +1

Since the Gleneagles Summit in 2005, Germany demonstrated compliance with the promoting growth commitment. Germany’s attendance and newly made commitments at the December 2005 World Trade Organization Ministerial Conference demonstrated its support for promoting growth. During the WTO ministerial in Hong Kong, Germany pledged its support for a comprehensive development project for Less Developed Countries (LDCs). As part of the aid-for-trade commitments declared at the meetings, Germany agreed to eliminate all export subsidies on cotton in 2006.\textsuperscript{355} While a date for this specific project has not been firmly set, the German Development Minister, Wieczorek-Zeul, commented on the general success of the WTO

Ministerial Conference, noting in particular the decision to grant the poorest developing countries almost complete tariff- and quota-free access to industrialized markets as of 2008.\textsuperscript{356}

Germany’s compliance with its commitment to promote growth was also demonstrated through its meeting with the Mozambique government. During a bilateral meeting in Maputo between the German and Mozambique governments in December 2005, Germany pledged €68.5 million to be distributed throughout 2005 and 2006 to support Mozambique with respect to education, rural development, and sponsorship within the private sector.\textsuperscript{357} Mozambique is considered one of the poorest countries in the world, and was relieved of its multilateral debts at the 2005 Gleneagles Summit.\textsuperscript{358}

Most recently, on 5 May 2006, the German Development Minister Heidemarie Wieczorek-Zeul and the Chief Executive of the NEPAD Secretariat, Prof. Firmino Mucavele, signed an agreement affirming that further cooperation would take place between the German Development Ministry and the NEPAD. Development Minister Wiezorek-Zeul stated that the expanded cooperation would focus primarily on areas of good governance and promotion of the private sector, specifically the field of agriculture and water. The recent signing of this agreement is an indication of Germany’s expanding interest in the promoting growth commitment. Germany receives a score of +1 for compliance with its goal of growth promotion in Africa.

Analyst: Ricki Stone

4. Italy: 0

Italy has not demonstrated full compliance with the promoting growth commitment. From 7 June 2005 through 11 June 2005, the Undersecretary of State for Foreign Affairs, Alfredo Mantica, visited Angola, Gabon and Cameroon to discuss trade relations. His visit to Cameroon included a follow-up on the New Partnership for African Development (NEPAD), and on the United Nations reform project. In addition, on 31 December 2005, the Angola Press Agency reported that Italy is expected to provide €3 million to fund agricultural projects in the provinces of Luanda, Bengo and Kwanza-Sul. This demonstrated Italy’s aspiration to comply with the commitment to improve agricultural productivity in Africa through cooperative initiatives.

Between February and May, however, Italy took no further action that would indicate compliance with the goal of growth promotion in Africa in cooperation with the AU/NEPAD, Comprehensive Africa Agriculture Development Programme (CAADP) and other African initiatives. Thus, until funding is delivered or specific projects are undertaken, Italy’s receives a score of –1, indicating non-compliance with this commitment.

Analyst: Ricki Stone

5. Japan: +1

Japan registered compliance with the commitment to promote growth in Africa as laid out at the 2005 Gleneagles Summit. On 22 April 2005, Prime Minister Junichiro Koizumi announced that Japan would double its Official Development Assistance (ODA) to Africa by 2008.\(^{359}\) He also pledged to hold “TICAD IV” in 2008.\(^{360}\) TICAD, the Tokyo International Conference on African Development, held its inaugural meeting in 1993 and through these conferences, Japan has launched a significant number of joint African-Asian initiatives to increase African agricultural productivity and fulfill the Millennium Development Goals.\(^{361}\) TICAD is committed to creating a “full synergy between [its] work and NEPAD’s own approaches”\(^{362}\)

Furthermore, Prime Minister Koizumi, in his keynote speech at the Asian-African Business Summit in April 2005, suggested a “productivity movement” be promoted in Africa. He also announced that Japan will be hosting the fourth Asian-African Business Summit in 2006 and will continue to provide support for the “entrepreneurial spirit” upon which Asia-African cooperation rests. In December 2005, he introduced the Development Initiative for Trade to contribute to developing countries’ trade promotion. This will also advance the “One Village-One Product” movements.\(^{363}\)

Japan also provided several aid grants that serve to promote growth. In December 2005, Mali received ¥410 million as Grant Assistance for Underprivileged Farmers. Both Ghana and Kenya received similar aid (¥360 million and ¥760 million respectively) in December. In March, Benin received ¥140 million.\(^{364}\) Furthermore, ¥106 million was sent to Algeria in order to support the “Project de Renforcement des Equipements de Formation pour l’Institut de Technologie des Pêches et de l’Aquaculture d’Alger.”\(^{365}\)

From 14-15 July 2005, Japan hosted the International Symposium on “Perspectives of Research and Development for Improving Agricultural Productivity in Africa.”\(^{366}\) The Japan Forum on International Agricultural Research and the Japan International Research Center for Arid


Sciences jointly organized this symposium. Currently, the Japan International Cooperation Agency is helping to finance a program of growth in Zambia that will focus on fostering human security through rural development. This program was termed the “Zambia Initiative.”

On 1 May 2006, Prime Minister Junichiro Koizumi visited the headquarters of the African Union (AU) in Addis Ababa, Ethiopia. After a meeting with Alpha Oumar Konare, the Chairperson of the AU commission, he expressed Japan’s intention to cooperate toward assistance for “Africa to stand on its own” through the provision of funds.

The provisions of specialized grants, and establishment of specific aid initiatives in collaboration with the AU, make Japan fully compliant with the promoting growth commitment laid out at the Gleneagles Summit.

Analyst: Akiko Sasayama

6. Russia: -1

Russia has not demonstrated compliance with the promoting growth commitment articulated at the Gleneagles Summit. Although Russia has supported debt relief as an indirect means of promoting growth — they have cancelled and committed to cancel US$16.5 billion worth of debts owed by African countries — they have yet to undertake any action that would indicate a cooperative aid approach to African development that includes the NEPAD/CAADP framework.

There is also concern among supporters of NEPAD that the Russian Presidency of the G8 will undermine its prominence as a mechanism through which aid to Africa can be channeled. Recent analyses go so far as to suggest that the “current Russian leadership of the G8 is moving the focus of the world’s most powerful states away from Africa and onto the countries of Eastern Europe at the same time as China’s sudden and massive economic engagement with Africa has undermined key Western conditionalities.”

Although President Putin did indicate in April 2006 that NEPAD was going to be placed on the agenda during the St. Petersburg Summit, it is unclear whether that statement indicates any intent on the part of the Russian government to support the promoting growth commitment though the NEPAD/CAADP framework.


Since any statements of support for the NEPAD framework have yet to be followed by specific action or allocation of funding, Russia receives a score of –1 for the promoting growth commitment, indicating non-compliance.

Analyst: Timothy Leung

7. United Kingdom: +1

The United Kingdom demonstrated full compliance with the promoting growth commitment. Through its role as President of the European Union as well as the host of the 2005 G8 summit, the British government made significant efforts to ensure that the issue of African development remains high on the international agenda. In September 2005, Prime Minister Tony Blair gained the full endorsement of 191 countries to accelerate progress towards fulfillment of the Millennium Development goals with a specific focus on the continent of Africa.373

Initiatives undertaken by the UK in regards to promoting growth in Africa include the establishment of the Infrastructure Consortium for Africa and support of the Investment Climate Facility. The Consortium held its first meeting in London in October 2005. A second meeting, to be hosted by the British Minister of State for International Development, Hilary Benn, will be held in June 2006.374 Britain will work in cooperation with the New Partnership for African Development (NEPAD), the African Union and Regional Economic Communities (RECs), to promote economic growth within the region through the Consortium.375 The Consortium will be largely financed through a UK commitment of US$20 million over 3 years.376 The UK has also committed US$30 million over 3 years to the Investment Climate Facility (ICF).377 The ICF is an independent trust with strong African representation on the Board of Trustees. It provides a mechanism through which the private sector, the G8 countries, other donors and African governments and institutions can support Africa's vision for sustainable growth and development.378

In addition, Minister Benn hosted the fifth meeting of the Africa Partnership Forum (AFP) in October 2005 at which international monitoring mechanisms for commitments on Africa were implemented.379 In their continued efforts towards this objective, the United Kingdom also

actively participated at the APF meeting in Mozambique on 4-5 May 2006, which discussed and identified the next steps towards progress on agriculture and infrastructure.\textsuperscript{380}

Moreover, on 13 March 2006, the British government announced that it would contribute £100 million over three years to fund research in sustainable development.\textsuperscript{381} These initiatives will provide regional research programs in Africa and joint programs with UK research councils to promote the use of sustainable agricultural technologies across Africa.\textsuperscript{382}

For their financial contributions, continued initiatives and collaborative approach, the United Kingdom registers full compliance with the promoting growth commitment.

 Analyst: Vaneet Sangha

\textbf{8. United States: +1}

The United States registered full compliance with the commitment to promote growth in Africa. As a member of the WTO, the United States helped to advance the Doha Development Round at the December 2005 Hong Kong Ministerial Meeting, agreeing to abolish agricultural export subsidies by the end of 2013.\textsuperscript{383} ‘The United States Government has also acted both multilaterally and bilaterally to increase trade capacity building, or ‘aid for trade,’ in African nations. Prior to the Hong Kong Ministerial, the US Treasury Secretary, John Snow, participated in the December 2005 G7 Finance Ministers’ meeting in London that produced a new commitment to increase aid for trade by US$4 billion,\textsuperscript{384} this commitment gave particular priority to infrastructure needs in Africa.\textsuperscript{385} Following the Hong Kong Ministerial, the United States joined the Aid for Trade Task Force established at Hong Kong.\textsuperscript{386} In Hong Kong it also announced an increase in ‘aid for trade’ from US$1.3 billion to US$2.7 billion by 2010,\textsuperscript{387} with Africa receiving a significant share of this

\begin{footnotesize}
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new funding. At the core of this commitment to trade capacity building is the African Global Competitiveness Initiative, which President Bush launched following the Gleneagles Summit on 19 July 2005. This initiative expands existing USAID trade building efforts that have focused on Regional Trade Hubs. These hubs bring together teams of experts to support trade capacity building. This specific program has a five-year funding target of US$200 million in additional resources. It will also fund the opening of a new regional trade hub in Dakar, Senegal. The Bush Administration remains committed to funding the initiative; the USAID budget request for fiscal year 2007 maintained long-term funding for the African Global Competitiveness Initiative. This initiative supports not only the Gleneagles commitments to help Africa integrate into global markets, but also the commitment to develop intra-regional trade.

The United States also supported the development of trade capacity in Africa through alternative forms of development assistance; the principle vehicles for this are the Millennium Challenge Corporation (MCC) and Millennium Challenge Accounts (MCA), which seek to build a strong trade capacity in less developed countries. The MCC seeks out and rewards impoverished governments that demonstrate good governance, in conformance with the Gleneagles commitment to improve the investment climate in Africa. The Bush Administration’s commitment to improving the investment climate in Africa remained a priority in early 2006, with the signing of a compact between the MCC and Mali, allowing the country to qualify for a grant of US$9.7 million. This strengthening of the investment climate in Africa was enhanced by the Bush Administration’s efforts to increase access to finance for African nations. In November 2005, the United States Agency for International Development (USAID) announced that it had joined with private sector institutions to create the Global Commercial Microfinance Consortium to provide local currency financing to microfinance institutions.


Furthermore, in an effort to expand trade-generated growth in Africa, the Bush Administration renewed the eligibility of 37 countries to gain access to the US market through the African Growth and Opportunity Act [AGOA] in late 2005. Some US initiatives even went beyond this commitment to open American markets to these countries. In July 2005, Secretary of State Condoleezza Rice announced the creation of the AGOA Diversification Fund, through which several US agencies will support the efforts of African governments to diversify their economies and capitalize on the opportunities afforded by the AGOA. In 2005 alone, through the AGOA, imports from Africa to the United States rose 44 percent above their 2004 levels. These efforts reinforce the G8 commitment to promote growth through the engine of trade.

In addition to the above initiatives to open markets, to build trade capacity and infrastructure, and to foster a positive investment climate in Africa, the United States also announced steps it was taking to increase agricultural output in Africa by contributing to NEPAD’s CAADP, which aims to increase African agricultural output by 6% annually. To that end, on 15 September 2005, USAID announced US$200 million in new programming that would support the CAADP for fiscal year 2006, as part of the Presidential Initiative to End Hunger in Africa. USAID expects similar outlays between 2006 and 2010. In fact, the USAID budget request for fiscal year 2007 maintained long-term funding for the Presidential Initiative to End Hunger in Africa.

The United States Government through substantive programs, initiatives, and directed funding, has clearly satisfied the commitments it made at Gleneagles to promote growth in Africa. The United States therefore receives a score of +1 for full compliance.

Analyst: Steven Masson

9. European Union: +1

The European Union demonstrated full compliance with the promoting growth commitment. With its Strategy for Africa Plan, the EU provided a comprehensive framework for working with NEPAD and the AU to ensure that African states meet the millennium development goals.

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The EU has also sought to establish long-term partnerships with African states through their Strategy for Africa Plan. This strategy aims to provide stability, promote economic growth and reduce poverty across the African region and has been repeatedly endorsed by the General Affairs and External Relations Council. Through this strategy, Commission officials have worked towards implementing initiatives that will increase infrastructure and networks across the continent to increase regional integration.

On 9 February 2006, the European Commissioner for Development and Humanitarian Aid, Louis Michel, and the President of the European Investment Bank, Philippe Maystadt, signed a Memorandum of Understanding for the creation of a Trust Fund in support of infrastructure in Africa. In the start-up phase (2006-2007) the Commission intends to mobilize up to €60 million in grants and the EIB up to €260 million in loans for the operation of the Fund. The fund aims to address the need for adequate infrastructure in order to boost trade and growth.

In March 2006, Commissioner for Development and Humanitarian Aid Michel met with West African authorities and representatives from the Economic Community of West African States (ECOWAS) and the West Africa Economic and Monetary Union (WAEMU) to discuss issues concerning regional economic integration. Michel’s visits across the continent are also an indication of the EU’s commitment to establishing partnerships between the two continents.

In addition, on 19 May 2006, the EU announced the provision of €70 million for a Somalia Recovery Programme (SRP). The SRP will provide immediate support to address Somalia’s Governance and security challenges, including consolidation of the Transitional Federal Institutions, support to delivery of social services particularly education, water and sanitation as well as rural development and food security. The programme will be implemented in close cooperation with several key partners, including the UN, NGOs and other donors.

The European Union has undertaken these and other important initiatives to promote growth in Africa along the lines of the Gleneagles commitment. Thus, the EU receives a score of +1, indicating full compliance with the promoting growth commitment.

Analyst: Vaneet Sangha

Education: Africa

Commitment:

“As part of this effort, we will work to support the Education for All agenda in Africa, including continuing our support for the Fast Track Initiative (FTI) and our efforts to help FTI-endorsed countries to develop sustainable capacity and identify the resources necessary to pursue their sustainable strategies.”

-Africa

Background:

At the World Conference on Education for All in Jomtien, Thailand (5-9 March 1990), delegates from 155 countries as well as representatives from approximately 150 organizations agreed to universalize primary education and massively reduce illiteracy before the year 2000. Article III of the World Declaration on Education for All addresses universalizing access to, and promoting equity in, education, stating that “basic education should be provided to all children, youth and adults.” The Article also recognizes the most urgent objective as ensuring access to, and improving the quality of, education for girls and women and removing every obstacle that hampers their active participation. Dakar, Senegal, provided the education backdrop for the world community when it hosted the World Education Forum in April 2000. Through the adoption of the Dakar Framework for Action, the 1,100 participants of the Forum reaffirmed their commitment to achieving Education for All by the year 2015, and entrusted UNESCO with the overall responsibility of coordinating all international players and sustaining the global momentum. The G8 countries made further reaffirmations of support for the Education for All agenda at the July 2001 Genoa Summit and all endorsed the results of the G8 Education Task Force which proceeded to report at the 2002 Kananaskis Summit. Three years later, at the 2005 Gleneagles Summit, G8 leaders once again renewed their commitment to the Education for All initiative, with a strong emphasis placed on its implementation in Africa. All participants expressed support for the Fast Track Initiative, a partnership between donor and developing countries guaranteeing progress toward universal primary education as an objective of the

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Millennium Development Goals, provided that the candidate countries display a strong commitment to implementing strategies geared to improving the educational sector.\textsuperscript{416}

Team Leader: André Ghione

**Assessment:**

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**Individual Country Compliance Breakdown:**

1. **Canada:** 0

The Canadian government’s compliance with the Education for All commitment since the Gleneagles’ summit is partial. In December 2005, Canada’s International Development Research Centre (IDRC) announced that it would create an open archive, granting access to researchers from the South.\textsuperscript{417}

The governmental budget for 2006 reflected the government’s plan to double its international assistance from the level of 2001-2002 by 2010-2011.\textsuperscript{418} The Canadian International Development Agency (CIDA) report on plans and priorities for 2005-2006 allocated CAD$252.2 million towards basic education programs in Africa, the Middle East as well Central and South America.\textsuperscript{419} CIDA had allocated CAD$100 million in basic education in Africa alone in 2005-2006, 80% of which would support educational programs in Mozambique, Tanzania, Senegal, Mali and Tanzania.\textsuperscript{420} Looking ahead, it is also stated that CIDA is on track for maintaining this annual level of 100 million, and may even surpass this amount in the upcoming years.\textsuperscript{421}

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The Canadian government has also continued support towards African education in pledging funds to the international organization La Francophonie. Canada allocated CAD$1 million over two years to the organization; the second CAD$500,000 went directly to support the project of the Agence Universitaire. This project was aimed at strengthening cooperation between Northern and Southern universities in hopes of training more skilled university management staff.422

Overall, it is clear that Canada remains committed, as noted by Minister Verner, to the goals of Education for All and the Fast Track Initiative. However, in trying to maximize the effectiveness of funding, the decision was made not to allocate funds directly towards the Fast Track Initiative but rather towards bilateral programs also dedicated to primary or basic education in Africa.423
Thus, Canada receives a score of 0 on this specific commitment.

Analyst: Anne Mizrahi

2. France: +1

Pursuant to its Gleneagles commitment, the French government demonstrated sustained support for the Education for All agenda in Africa. French adherence is underscored by increased support for the Fast-Track Initiative (FTI) and an increasing number of bilateral structural aid programs undertaken with FTI-endorsed countries.

Officials at various levels of government have reiterated the importance of reinforcing and recasting primary education in Africa. In its March 2006 report, the French Development Agency’s (ADF) Expert Group on Professional Development declared that “the education and development of youth constitutes a vital investment in all countries.”424 In a 15 May 2006 press conference, French Foreign Minister Philippe Douste-Blazy presented measures “for simplifying and streamlining intervention mechanisms in the cultural and education fields to improve the effectiveness and clarity” of the government’s efforts abroad.425 The new measures emphasize public-private partnerships, showcasing a €1 million, three year co-financing agreement between the French Foreign Ministry, three French firms, and the Nigerien Ministry of Primary Education and Alphabetization (MEBA), geared toward improving the socio-sanitary environment of schools in the Tillabéri region.426

423 CIDA analyst, Africa Branch of the Canadian International Development Agency, June 2006
Apart from these modernized schemes, the French government continues to support FTI-endorsed countries via traditional bilateral programs. A sum of €15 million was recently transferred from the French government, through the FTI, to augment a €10 million, five-year plan signed in 2004 with the government of Burkina Faso under its ten-year plan of universal primary education (PDDEB). On 5 April 2006, the ADF approved a €5.5 million project financing the reinforcement of educational administrative capacities in the Islamic Republic of Mauritania. During a 11-14 May 2006 visit to Madagascar, Minister Delegate for Cooperation, Development and Francophonie Brigitte Girardin signed a framework partnership document with the Malagasy government, committing the French Republic to a €250 million, five year agreement, which targeted the priority sectors of education, rural development, infrastructure and health.

Analyst: André Ghione

3. Germany: +1

The German government demonstrated compliance with the Gleneagles education initiatives through funding the Fast-Track Initiative (FTI), which aided these countries in acquiring and developing sustainable education initiatives.

In March 2006, at the technical meeting of the World Bank, German representatives proposed the creation of a task team with a time-limited mandate. The team would help advance the capacity development issues associated with the FTI-endorsed countries by focusing on the improvement of the internal education policy absorption. The initiative sought to implement an improved Education for All program with a broader scope, involving contributions from local donors, support for state-specific initiatives, and participation of local governments. The FTI Capacity Task team was linked to the FTI Education Program Development Fund and the Fragile States Task Team.

Furthermore, the German government reiterated the importance of education in Africa in press releases issued by Heidemarie Wieczorek-Zeul, the German Minister for Economic Cooperation and Development. Minister Wieczorek-Zeul spoke of education as a prerequisite for

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development.\textsuperscript{434} The Minister added that the German government had decided to increase its support for education to €120 million by 2007.\textsuperscript{435}

4. Italy: 0

The Italian government registered partial compliance with its commitment to furthering the Education for All agenda in Africa. The government remains deeply committed to its participation in and engagement with multilateral organizations, particularly evident in contributions to the United Nations and its associated agencies, such as UNESCO, which in turn fund educational programs on the African continent.\textsuperscript{436} However, the government did not renew its financial support to the Fast-Track Initiative’s Catalytic Fund, to which it contributed €2.4 million in 2005.\textsuperscript{437}

The Italian government fared better in its bilateral support of FTI-endorsed countries: in Kenya, Italian initiatives include the improvement and streamlining of the national education system and polytechnic institutes;\textsuperscript{438} €253,357 will be awarded in 2006 to a Mozambican trade syndicate for skills training and education;\textsuperscript{439} €511,505 is allocated for interventions in the sectors of the environment, socio-education, and associative economy, directed to the amelioration of the living conditions of the Rwandan population.\textsuperscript{440}

On 9 March 2006, the Italian Minister of Foreign Affairs, in collaboration with the Pastoral University of the Vicariate of Rome, the Conference of Rectors of the Italian Universities and the Conference of Rectors of the Pontifical Universities, held a symposium entitled “Europe-Africa Universities Cooperation.”\textsuperscript{441} The symposium evaluated the academic world’s engagement on behalf of the development of the African continent.\textsuperscript{442}

Analyst: André Ghione
5. Japan: 0

The Japanese government is in partial compliance with the Gleneagles’ initiative to fund and support educational projects in Africa. Though not a direct contributor to the Fast Track Initiative (FTI), Japan has increased its official development assistance (ODA) to approximately US$400 million, which targets educational programs in Africa and Asia.\textsuperscript{443} Funding is distributed through UNCHR, UNICEF, and UNESCO, as well as through direct contributions to 17 of the 20 FTI-endorsed countries.\textsuperscript{444} In a policy statement given on 1 May 2006, Prime Minister Junichiro Koizumi announced bilateral sponsorship of vocational training for students and teachers in Senegal and Uganda.\textsuperscript{445} Japan hosted an international education forum designed to improve the quality of education, entitled “Enhancing Teachers’ Quality.”\textsuperscript{446} Through various operatives, Japan endeavours to meet its educational policy objectives, whereby it “will contribute actively to achieving the Millennium Development Goals (MDGs), including the effective use of ODA,”\textsuperscript{447} and target priority areas, such as ensuring access to education, as well as improving the quality and management of education.\textsuperscript{448}

Analyst: Kathryn Kotris

6. Russia: 0

The advent of the Russian Presidency of the G8 has seen the Russian government act partially on its G8 Gleneagles’ commitment to support the Education for All agenda in Africa. In January 2006, Russia assumed both the G8 Presidency and its role of co-chair of the Fast Track Initiative (FTI) alongside Belgium.\textsuperscript{449} A FTI Technical Meeting held in Moscow on 14 March 2006 yielded a Russian pledge of US$7.2 million towards the Catalytic Fund and the Education Program Development Fund (EPDF).\textsuperscript{450} Russia’s Minister of Education and Science Andrei Fursenko emphasized the priority given to improving all aspects of primary education by virtue of its presence on the 2006 G8 Summit agenda.\textsuperscript{451} Mr. Fursenko delivered a presentation dedicated to improving the quality of education provided in Africa, providing technical support in addition to financing and leadership by setting the G8 Summit agenda. Other than this

presentation, however, Russia has not made specific efforts to help FTI-endorsed countries to develop sustainable capacity and identify the resources necessary to pursue their sustainable strategies.

Analyst: Kathryn Kotris

7. United Kingdom: +1

The United Kingdom (UK) played a strong role in supporting the objectives set forth in the Education for All (EFA) agreement and Fast-Track Initiative (FTI). On 10 April 2006, Chancellor of the Exchequer Gordon Brown and Secretary of State for International Development Hilary Benn launched a campaign in Mozambique to support universal primary education. They distributed a pamphlet titled “Keeping our Promises: Delivering Education for All,” which highlighted the challenges to be addressed by the international community. In support of long-term funding initiatives, the British government announced plans to spend at least £8.5 billion over a course of ten years. This marks the first time the UK has entered into ten year agreements with developing countries to finance education plans. The recent pledge is nearly four times the contribution made during the previous ten years. Following this announcement, Mr. Benn declared an increase in funding to the Department for International Development’s (DFID) Global Schools Partnerships (GPS) Program, reaching a sum of £7.5 million. On 21 April 2006, Mr. Benn announced an additional contribution of £100 million to the FTI fund over the next two years, in addition to the £50 million allocated to the fund in 2005.

The UK has also maintained bilateral commitments, particularly with Mozambique, Kenya, and Ghana, which are FTI partners. In January 2006, the UK announced a £55 million grant to support the Ministry of Education’s five year plan, the Kenya Education Sector Support Program. In March 2006, DFID announced a three year plan of £122 million to support Ghana.

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in its poverty reduction strategies; in May 2006, DFID made a similar agreement to assist Mozambique, contributing £215 million.\(^{460}\)

Analyst: Evelyn Chan

8. United States: +1

The U.S. government has partially complied with its commitment to support the Fast Track Initiative (FTI). The American government continues to support the Education for All agenda in Africa through investments in the President George W. Bush’s Africa Education Initiative (AEI). The estimated 2006 budget of the Africa Bureau of the U.S. Agency for International Development (USAID) includes an item allotting US$186,963,000 to building human capacity through education and training,\(^{461}\) of which US$55 million is allocated directly to the AEI.\(^{462}\)

On 24 April 2006, addressing the UNESCO Education for All Week Luncheon, Honorary Ambassador of the United Nations Decade Laura Bush cited literacy as the foundation of personal, economic, and political freedom, reiterating the U.S. commitment to the training of teachers and the distribution of textbooks in Africa through the AEI.\(^{463}\)

In addition, the President’s Emergency Plan for AIDS Relief (PEPFAR) “wraps around” other organizations that promote access to education for those affected by and infected with HIV/AIDS, leveraging a comprehensive response for orphans and vulnerable children (OVCs) in Africa.\(^{464}\) In Zambia and Mozambique, PEPFAR teams work with the Ambassador’s Girls Scholarship program of the AEI to provide scholarships to OVCs and other marginalized children.\(^{465}\) Through the United Nations Association of the United States of America, support through AEI, and links with PEPFAR in-country programs, nearly US$3 million will help finance the HERO (Help Educate At-Risk Orphans and Vulnerable Children) program, designed to support school-based programs for OVCs, initially in South Africa, Namibia and Ethiopia.\(^{466}\) The Memorandum of Understanding (MOU) signed between USAID and the Republic of Equatorial Guinea on 11 April 2006 established a Social Development Fund in the country, to

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implement projects in health, education, women’s affairs and the environment.\textsuperscript{467} A similar document signed on 23 May 2006 with Tanzania announced collaborative measures to be implemented by South Carolina State University and Zanzibar’s Ministry of Education in preparing and selecting learning materials for target schools.\textsuperscript{468}

Despite these efforts, the American government has not provided supported specifically to the FTI and therefore is awarded only partial compliance.

Analyst: André Ghione

9. European Union: 0

The European Union (EU) played a significant role in 2005 in reaffirming its commitment to meet the Millennium Development Goals. In December 2005, the EU drafted the EU Strategy on Africa, which highlighted initiatives that focused on good governance, security, trade and environmental sustainability. In addition, the EU has reaffirmed that 50% of the aid would be dedicated to development in Africa.\textsuperscript{469} The signing of the European Consensus on Development in December 2005 also demonstrated member states’ support to eradicate poverty.

The EU reiterated these commitments in April 2006, publishing three Communications, which proposed measures to improve the efficiency and effectiveness of external assistance. The Communication “Delivering more, faster and better,” the Communication “Joint multi-annual programming” and the Communication “Financing for Development and Aid Effectiveness” all aim to enhance the coordination, delivery and impact of aid.\textsuperscript{470} However, the EU has not made any new contributions to the Education for All (EFA) program or the Fast-Track Initiative (FTI).

While the World Bank’s EFA-FTI January-April Newsletter and the Informal World Bank Executive Board Briefing indicate EU pledges of €63 million and US$76 million respectively toward the FTI Catalytic Fund, this contribution to EFA-FTI stems from 2005 announcements.\textsuperscript{471}

Analyst: Evelyn Chan


Trade: Africa

Commitment:

“The G8 in return agreed to a comprehensive plan to support Africa’s progress. This is set out in our separate statement today. We agreed: to stimulate growth, to improve the investment climate and to make trade work for Africa, including by helping to build Africa’s capacity to trade and working to mobilize the extra investment in infrastructure which is needed for business.”

-Chair’s Summary

Background:

With current conditions, most of the countries of Sub-Saharan Africa will fail to achieve all of the Millennium Development Goals (MDGs). Projections show that Africa’s poverty rate will remain over 38 percent in 2015—far above the 22.3 percent target. However, the forecast is not completely cloudy: per capita GDP growth in the low-income countries of Sub-Saharan Africa reached an estimated 3 per cent for the second consecutive year in 2005. Much can be done to improve this performance; the investment climates in many African nations are unduly restrictive, and infrastructure in several regions is moribund. In order to address these problems, G8 leaders pledged at the July 2005 Gleneagles Summit to improve Africa’s capacity for trade by supporting three separate but related initiatives: the stimulation of growth and the improvement of the business climate in Africa; the development of Africa’s capacity to trade; and the mobilization of investment in infrastructure for local businesses.

Team Leader: André Ghione

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www.g8.utoronto.ca/summit/2005gleneagles/statement.html.


Assessment:

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Individual Country Compliance Breakdown:

1. Canada: +1

Building on the launch of the Canadian Investment Fund for Africa (CIFA) on 12 October 2005, the Canadian government continued the strong record of compliance with its Gleneagles’ commitment to promote trade and investment in Africa. This was primarily achieved through allocating funds to a number of local projects through the Canadian International Development Agency (CIDA). CIDA awarded US$8.5 million to Mozambique’s National Development Program (PROAGRI) established a commission for a Jatropha plant oil pressing, soap making and bio-diesel plant in Mudzi, Zimbabwe, and funded a Zimbabwean centre for vocational training, as well as a forestry program in Borno, Nigeria. Furthermore, the Canadian government is currently negotiating two joint-venture petrochemical projects with the Egyptian government, and is preparing a conference on investment in Angola. On 7 April 2006, the Department of Export Development Canada (EDC) signed an agreement with the First

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Bank of Nigeria, extending a US$25 million line of credit that will be used to develop business in Canada.\textsuperscript{484} 

Analyst: Loretta Yau

2. France: -1

France receives a grade of -1 for non-compliance regarding its commitment to improving Africa’s capacity to trade since the 2005 G8 Summit at Gleneagles. Although France restated its commitment to this issue and identified infrastructure development as one of its seven priority sectors for African development,\textsuperscript{485} there is little evidence of new funding allocated to fulfilling this pledge.

While France demonstrated initiative as an organizing member of the Paris Conference “Solidarity and Globalization: Innovative Financing for Development and Against Pandemics” on 28 February — 1 March 2006, there was no indication that funding raised from this program would be allocated toward infrastructure development or other aspects of “aid for trade.”\textsuperscript{486} Although President Chirac has indicated that he would like African issues to remain a priority at the 2006 St. Petersburg Summit,\textsuperscript{487} little action was taken to further the commitments agreed upon at the previous year’s summit.

Analyst: Melissa Molson

3. Germany: +1

The German government maintained its high level of compliance with the Gleneagles Trade in Africa commitment, seeking to make trade beneficial to Africa, and to build Africa’s capacity to trade. On 23 March 2006, the German government pledged €6.5 million from 2006-2008 to aid the economic integration process of the “East African Community.”\textsuperscript{488} The stated purpose of the funding is to increase the involvement of the private sector in the integration process. On 5 May 2006, the German Government reaffirmed its commitment to developing Africa’s capacity to


trade when Development Minister Heidemarie Wieczorek-Zeul pledged to work even more closely with NEPAD (New Partnership for Africa's Development) in the future.\(^{489}\)

Analyst: Adrian M.T. Roomes

4. Italy: 0

The Italian government registered partial compliance in meeting its Gleneagles commitment to promote trade and investment in Africa during the past year. Italian representation in the European Union (EU) did not commit to opening up its market to African countries during the Doha Round at the World Trade Organization (WTO) conference in Hong Kong last December, siding instead with the protectionist France.\(^{490}\) Moreover, Italy’s limited efforts on the African trade file do not match the commitment made at Gleneagles.

The Italian government, however, does appear to recognize that investment opportunities do exist in Africa, and has made promises to increase direct investment in the continent.\(^{491}\) Since the Gleneagles Summit in June, 2005, it has involved itself in various local projects that could promote the human and institutional capacity to trade in Africa. In early December 2005, the Italian government donated health equipment to the South African health sector, followed by an explicit promise to continue aid to Uganda.\(^{492}\) At the end of the same month the Italian Cooperation (IC) under the auspices of the Italian government announced that it would provide funding totalling more than €4 million for use in agricultural projects in Angola.\(^{493}\) In addition, IC distributed €1.1 million for two projects that intend to promote computer literacy and accelerate technological development in Mozambique.\(^{494}\)

A recent report commissioned by the United Nations Security Council named Italy as one of several countries that “…[had] provided military equipment and supplies to the Somali warring groups during the later part of 2005 and the first quarter of 2006”\(^{495}\). This casts serious doubt on the Italian government’s commitment to a stable African business climate.

Analyst: Loretta Yau


\(^{490}\) The Jury’s Still Out on Performance of UK’s Former Political Spin Doctor, South China Morning Post (Hong Kong), 15 December 2005.


5. Japan: 0

Japan registered a high degree of compliance with respect to its commitments to improve the investment climate in Africa and to help build Africa’s capacity for trade. The Japanese government has taken and continues to take a leadership role in promoting efforts to develop trade in Africa. While not accounted for by this compliance cycle, it will be involved in the Fourth Asia-Africa Business Forum (AABF) in September 2006, and will host the Fourth Tokyo International Conference on African Development (TICAD IV) in 2008. The TICAD conferences actively promote Asia-Africa business relations and provide “one of the largest international platforms for global cooperation for African development.” The Japanese Ministry of Foreign Affairs has outlined specific measures that it will take to promote trade, business development and investment in African countries. These include promoting trade and investment between Africa and Japan by “facilitating trade investment, enhancing business exchanges and promoting product development and export to Japan.” Japan’s support of the United Nations Industrial Development Organization (UNIDO) has helped in the development of income-generating projects. The Japanese government is fostering the necessary conditions for the viability of its African investment-promotion centres through various initiatives. UNIDO serves as a conduit for the sharing of Japanese technology and expertise, with the UNIDO Tokyo office acting as a source of information to facilitate private investment into Africa.

Additionally, a Japan-NEPAD conference was held in March 2006. While no definitive agreements were reached, it is thought likely that Japan will soon commit to helping in specific projects relating to infrastructure and trade/investment promotion.

Analyst: Zain Shafiq

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6. Russia: -1

Russia receives a grade of -1 for non-compliance regarding its commitment to improving Africa’s capacity to trade since the 2005 G8 Summit at Gleneagles. While Russia was relatively active in the latter part of 2005, participating in initiatives such as the Africa Partnership Forum and signing bilateral agreements, there is little evidence of any new funding being allocated to improving Africa’s infrastructure and capacity to trade since the interim compliance report.

At a statement made to the Joint World Bank IMF Development Committee on 25 September 2005, Minister of Finance Mr. Aleksei Kudrin noted that Russia “strongly support[s] World Bank’s Africa Action Plan…[and] welcome[s] the renewal of attention to investments in infrastructure.” Russia also participated in the fifth meeting of the Africa Partnership Forum (APF) in London on 4-5 October 2005, which aims to “record, monitor and report on delivery of all financial and policy commitments to Africa…[and] set clear, time-bound benchmarks against which progress can be measured and monitored.” Russia was an active participant of the APF meeting, assisting with the preparation of the APF’s Draft Joint Action Plan and other documents relating to the functioning of the APF. Russia also took part in the inaugural meeting of the Infrastructure Consortium for Africa, held on 6 October 2005 in London. The Consortium seeks to work as a partnership between donors and stakeholders “to accelerate progress to meet the urgent infrastructure needs of Africa in support of economic growth and development.” In addition, Russian signed an agreement with Namibia to create an “Intergovernmental Commission on Trade and Economic Cooperation.” Russia also signed an agreement with Angola to establish a commission to address and improve cooperation on economic, scientific and technical. Lastly, President Vladimir Putin and the Russian Railway President Vladimir Yakunin discussed the possibility of the company to work to develop African railway infrastructure, however no project on Africa was announced.

Analyst: Melissa Molson

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7. United Kingdom: +1

The government of the United Kingdom (UK) successfully complied with its Gleneagles’ commitments to developing African trade through financial support geared toward improving Africa’s investment climate, capacity to trade, and business infrastructure. Prime Minister Tony Blair and Secretary of State for International Development Hilary Benn, announced on 17 November 2005 that the British government will donate US$30 million annually to the Investment Climate Facility (ICF) over three years, with the Prime Minister stating that, “the ICF’s activities will address both the real and perceived obstacles. It will be vital for investment, growth, jobs, and sustainable poverty reduction in Africa.” Supported by the New Partnership for Africa’s Development (NEPAD) and African heads of state, the ICF is the vehicle that the G8 and Commission for Africa proposed as necessary in order to improve investment in Africa. On 3 October 2005, the British government announced it would donate £200 million to the World Bank’s Africa Catalytic Fund, a portion of which will be allocated towards improved infrastructure on the continent. Officials from the Department for International Development chaired the first meeting of the Infrastructure Consortium for Africa on 6 October 2005 in London, with the UK promising US$20 million in funds over three years. In a speech on 14 November 2005, Prime Minister Blair committed to increasing “aid for trade” with a donation of £100 million a year until 2010. Furthermore, the UK has agreed to commit US$20 million to the Africa Enterprise Challenge Fund’s targeted financial sector program beginning in the fall of 2006.

Analyst: Zain Shafiq

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8. United States: +1

The United States’ government has provided strong support for the African trade commitments made at Gleneagles. The African Global Competitiveness Initiative (AGCI), first announced by President George W. Bush in July 2005, continues to build sub-Saharan Africa’s capacity for trade and competitiveness. On 6-7 June 2006, the US will host the 5th Annual US-Sub-Saharan Africa Trade and Economic Forum (AGOA Forum), which has as its theme “The Private Sector and Trade: Powering Africa’s Growth.”

The United States Agency for International Development (USAID) is also contributing to programs dedicated to strengthening African trade opportunities. USAID funded five West African companies, enabling them to exhibit a selection of their region’s finest wild fish and seafood products at the 25th Annual International Boston Seafood Show from 12-14 March 2006. On 11 April 2006, USAID celebrated its successful investment in specialty coffee-growing in the “thousand hills” district of Rwanda. The income earned through exports has allowed communities to reinvest in infrastructure, building schools and improving standards of living.

Analyst: André Ghione

9. European Union: +1

The European Union (EU) remains committed to the measures for improving the trade situation in Africa proposed at Gleneagles. On 30 January 2006, the European Commissioner for Development and Humanitarian Aid, Louis Michel, launched the programming cycle for Aid to Development under the 10th European Development Fund (EDF). The financial envelope for the 10th EDF was approved in December 2005, totalling €22.7 billion for the period 2008-2013. On 9 February 2006, Commissioner Michel and Philippe Maystadt, President of the

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European Investment Bank (EIB), signed a Memorandum of Understanding for the creation of a Trust Fund in support of infrastructure in Africa. In the start-up phase (2006-2007), the Commission intends to mobilize up to €60 million in grants, and the EIB—up to €260 million in loans for the operation of the Fund.\(^{526}\)

Analyst: André Ghione

Trade: Market Access and Export Subsidies

Commitment:

“We reaffirmed our commitment to open markets more widely to trade in agricultural goods, industrial goods and services, and in agriculture to reduce trade distorting domestic subsidies and eliminate all forms of export subsidies by a credible end date.”

-Chairman’s Summary (final press conference)\(^{527}\)

Background:

At the Doha Ministerial Conference held in November 2001, participants implemented the Doha Declaration launching a new trade round to establish a fair and market-oriented trading system by preventing restrictions and distortions in world agricultural markets.\(^ {528}\) The Fifth WTO Ministerial Conference was held in September 2003 in Cancun, Mexico. The Ministerial ultimately collapsed after the QUAD countries (US, EU, Japan and Canada) failed to reach an agreement with the G-20 bloc of developing countries (including Brazil, India and China). Nevertheless, the leaders of the G8 countries understand the importance of assisting less developed countries in their trade capabilities in order to promote economic growth and alleviate poverty.\(^ {529}\)

On 1 August 2004, WTO members adopted a General Council decision on the Doha Work Programme, informally known as the Framework, which established a framework for placing the DDA back on track for completion by 2006. Under the package, industrialized countries agreed to major concessions that they had previously resisted in Cancun: wealthy states, in particular the EU, agreed to place all trade distorting agricultural subsidies on the table for discussion and committed to making significant cuts; wealthy countries agreed to a ‘down payment’ on this deal in the form of an immediate 20% reduction in total current trade distorting agricultural subsidies beginning with the implementation period of a new WTO agreement; LDCs (including approximately 25 African states) received an agreement in principle to receive increased market access while maintaining the right to shelter their domestic industries; and three Singapore Issues (foreign investment, competition policy, and government procurement) were dropped from the DDA with the fourth (trade facilitation) kept on in the understanding it would only result in a clarification and simplifying of current agreements. In exchange, developing countries agreed to


further open their markets to manufactured imports and agreed to continue negotiations on a deal in trade in services.  

Reaffirmed at Gleneagles, the G8 commitment to open markets more widely to trade in agricultural goods, industrial goods and services, and in agriculture to reduce trade distorting domestic subsidies and eliminate all forms of export subsidies by a credible end date was carried out in part at the most recent WTO Ministerial in Hong Kong. Though the meeting was not considered a resounding success, a decision was reached committing to the end of export subsidies by 2013.  

Background: Jonathan Scotland  
Team Leader: Stanislav Orlov  

Assessment:  

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Individual Country Compliance Breakdown:  

1. Canada: 0  

Canada has complied partially with its Gleneagles commitment on reducing export subsidies. Progress was achieved primarily through its public support for the elimination of all forms of agricultural export subsidies, and by signing the World Trade Organization (WTO) Ministerial Agreement.  

Since publishing its Initial Negotiating Position on Agriculture in 1999, Canada maintains its position of seeking the elimination of agricultural export subsidies, and the maximum possible reduction of trade distorting domestic support. This commitment was reaffirmed at the conclusion of WTO discussions held in Zurich, Switzerland on 10 October 2005, by the then Canadian Agriculture and Agri-Food Canada Minister Andy Mitchell, and International Trade

Minister Jim Peterson. On 9 November 2005, following WTO discussions in Geneva, the same two ministers issued a statement in advance of the ministerial meeting in Hong Kong, confirming the Canadian government’s desire for the quickest possible elimination of agriculture export subsidies. They made it clear that Canada is working aggressively to negotiate “fundamental change, real reform, not just modest improvements” in this round. As part of the Commonwealth meeting in Malta, which took place on 26 November 2005, Canadian officials again called for a WTO agreement on “the elimination of all forms of export subsidies by 2010.”

The new Conservative government has reiterated its support of this long-standing policy. At the 20 April 2006 meeting between U.S. Secretary of Agriculture Mike Johanns and the new Agriculture and Agri-Food Minister, Chuck Strahl, who is also the Minister for the Canadian Wheat Board, the parties discussed Canada's commitment to achieving a more level international playing field at the WTO agriculture negotiations through the elimination of export subsidies, substantial reduction of trade-distorting domestic support, as well as real and significant market access improvements.

Canada has, however, faced pressure from the United States and the European Union (EU) for what they perceive to be unfair marketing practices. The US and the EU argue that the lack of transparency in the pricing and operating activities of state-trading enterprises like the Canadian Wheat Board (CWB) could be used to mask export subsidies and import tariffs. Consequently, at the WTO meeting in Hong Kong, the United States and the European Union accused, Canada, Australia, and New Zealand of unfair marketing practices. In particular, they criticized the practice of selling farm produce to a single marketing board, thus creating an unfair monopoly. Canadian officials publicly responded to these criticisms prior to the Hong Kong meeting. For example, in the statement issued by Mr. Mitchell and Mr. Peterson on 10 October 2005, the Ministers criticized the practice of selling farm produce to a single marketing board, thus creating what they consider an unfair monopoly. Canadian officials publicly responded to these criticisms prior to the Hong Kong meeting by explaining there is “no justification for further discipline on STEs such as the Canadian Wheat Board,” which the Canadian government considers to be a fair and legitimate STE. According to the Canadian Wheat Board Chairperson, Mr. Ken Ritter, the Board is a “single desk that does not distort trade” and should not be a concern of negotiations.

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536 Status Quo not Good Enough; Commonwealth Leaders Send out a Clear Message to EU Ahead of Next month's WTO Talks, TODAY (Singapore), 28 November 2005.
www.ers.usda.gov/publications/whs/dec05/whs05K01/whs05K01.pdf.
539 Quiet Desperation Reigns at Trade Talks, BBC News Online (London), 16 December 2005.
During the election campaign, Stephen Harper promised to do away with the CWB’s monopoly, and let farmers choose whether to export their wheat through the CWB or independently. After coming to power, however, Federal Agriculture Minister Chuck Strahl made it clear that for this spring and until the WTO meeting in April, 2006, the CWB changes did not constitute a priority issue. After the WTO meeting, Strahl stated that he did not have a timetable for implementing the Conservative Party’s campaign promise to end formally the board’s monopoly on wheat and barley sales, but he is open to making incremental changes to the board’s powers. Due to the remaining controversy regarding the CWB’s monopoly, Canada receives only partial compliance with the letter of the Gleneagles commitment.

Analyst: Stanislav Orlov

2. France: -1

France has resisted compliance with the Gleneagles commitment to increase market openness, and to reduce domestic and export subsidies. The French government created substantial obstacles to the European Union’s (EU) commitments to reduce agricultural subsidies, thereby delaying the process of liberalizing trade.

Moreover, the French government strongly opposes efforts to reduce agriculture subsidies by the EU. During talks in Geneva on 20 October 2005, French officials expressed the government’s refusal to permit new cuts in European farm supports that were needed to advance global trade talks, creating serious obstacles to completing a blueprint for lower trade barriers around the world. The French stance put Peter Mandelson, the EU’s chief trade negotiator, under intense pressure to find a way to open European farm markets after the United States offered to cut agricultural subsidies to restart the Doha round of WTO talks. French officials repeatedly caused problems for Mr. Mandelson, accusing him of overstepping his negotiating mandate and demanding that a supervisory committee oversee his negotiations. These actions drew strong rebuke from the U.S. trade representative Rob Portman, while Australian trade minister Mark Vaile also criticized the French stance, expressing concern that it would lead to the collapse of the trade talks.

The French government also played a vital role in the EU’s opposition to endorsing a 2010 date, proposed by the U.S. and Brazil, for ending farm export subsidies. This led to extending this date to 2013 as the deadline to end all farm export subsidies. While France welcomed this result, many say it fell short of expectations. For their part, French officials argued that the World

Trade Organization (WTO) proposals are counterproductive, and do not really serve the interests of the countries most in need.  

Since the end of the Hong Kong discussions, France has continued to create obstacles in the implementation of EU commitments. France, among others, has been accused of urging the EU to adopt a strong defensive position in the agricultural talks, while forcing developing countries to open their markets in industrial goods and services, which defeats the purpose of the Doha rounds’ progress. The volatile political climate in France also creates uncertainty with regards to France's commitment to implement the resolutions of the Hong Kong talks. Mr. Chirac's government recently withdrew, in the face of student protests, a modest reform of labour law; this led critics to comment that such a show of political weakness bodes poorly for France's prospects of cutting agricultural subsidies in the face of threats of protests from its farmers.

France's opposition to reducing agricultural subsidies also created problems in other areas of trade. This impasse between the EU and the U.S. negotiators over agriculture subsidies has prevented progress in negotiations to open up trade in manufactured goods and services.

Analyst: Farzana Nawaz

3. Germany: +1

Germany has complied with the trade commitments made at Gleneagles.

In a renewed effort to fulfil the Doha Round mandate before its April 30th 2006 deadline, Germany, along with its EU partners and other members of the WTO, met in Hong Kong for a Ministerial Meeting. The Ministerial Declaration reaffirms the Doha Round commitments and stipulates an end to export subsidies in article 6: “we agree to ensure the parallel elimination of all forms of export subsidies and disciplines on all export measures with equivalent effect to be completed by the end of 2013.” Members also agreed to reduce tariffs on non-agricultural products.

However, Germany, along with the other members of the WTO, failed to meet this April 30th deadline. Concerns over the nature of the trade commitments led to a trade negotiation deadlock in the Spring of 2006, and little progress was made to move forward with the Doha Round mandate. In his statement at the Ministerial Conference, Bernd Pfaffenbach, German State

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Secretary for the Federal Ministry of Economics and Technology, highlighted these concerns. He cautioned that the Doha agenda cannot be reduced to agricultural reform, but required an equivalent and parallel opening of markets for industrial goods and services. Although he maintains that Doha should above all benefit least developed countries, he argues that the Round's most important contribution toward development can be achieved through progress on market access topics.  

Germany has made progress in the area of export subsidies by signing on to the WTO Ministerial Agreement, and therefore has complied with its Gleneagles trade commitment.

Analyst: Jelena Madunic

4. Italy: -1

Italy has not complied with its commitments on export subsidies. As a member of the European Union, Italy is a party to all trade negotiations undertaken by the EU. Yet, despite the efforts of the EU negotiators to find an acceptable framework for the reduction of subsidies, Italy has sought ways to continue to protect key commodities and sectors. Moreover, much of Italian domestic political discourse has been concerned with the Parliamentary electoral campaigns at the beginning of the year, and the difficulties of forming a stable coalition government after the 9-10 April 2006 general election.

WTO discussions on reaching an agreement for the removal of agricultural subsidies fell apart in April of this year. Negotiators from developing countries cited the EU and US demands that market-opening reforms be passed before agricultural subsidy reforms took place as the cause of the breakdown, while Pascal Lamy, Director-General of the WTO, has acknowledged a series of complex issues behind the deadlock. European Union trade commissioner Peter Mandelson echoed Lamy’s comments by reaffirming that conclusion of the Doha Round (which includes negotiations on agricultural export subsidies) was his “paramount priority.” Nevertheless, he stressed that any reduction in agricultural subsidies must come hand in hand with market access, a reiteration of European demands at earlier failed rounds. In a speech to the SAIIA in


Pretoria, South Africa, on 10 February 2006, Commissioner Mandelson noted that, although the Common Agricultural Policy was a source of great displeasure in the developing world, the European Union had already made significant reductions in the levels of subsidies and supports since the Uruguay Round.\textsuperscript{558} Such comments imply that, while the European Commission is committed to reform in export subsidies, it is unwilling to make further reductions without considerable concessions in market access restrictions.

Although the Italian government does not have the legal capacity to change European export subsidy programs, its own Ministry of Productive Activities (MINCOMES) has been active in promoting Italian industry abroad. The main focus of Italian trade policy, however, has been protective: anti-dumping measures, protection of domestic consumers, bolstering the textile sector against Chinese competition, and anti-piracy activities.\textsuperscript{559} The Ministry of Agricultural Policy, on the other hand, is actively pursuing a campaign for greater WTO recognition of “typically Italian products.”\textsuperscript{560} In effect, the Ministry’s new campaign would seek to grant Italian wines and cheeses the same status as French champagne, alleviating the need for recourse to export subsidies in the face of foreign competition. Nevertheless, official policy on subsidies and open trade in agricultural export markets may yet change drastically, as the new Italian Prime Minister Romano Prodi has only recently announced his cabinet.\textsuperscript{561} As the Ministry of Agricultural Policy changes hands from Minister Alemanno to Minister De Castro, a greater emphasis on relaxation of subsidies at the European level may take priority.\textsuperscript{562}

Therefore, due to Italy’s official intransigence on recognizing the need for greater reduction in export subsidies, Italy has earned a score of -1.

Analyst: Michael Erdman

5. Japan: 0

Since its commitment at Gleneagles in 2005 to begin eliminating export subsidies, Japan has made minimal effort in this issue-area. There was some progress at the World Trade Organization (WTO) Ministerial Meeting in Hong Kong in December, where a deadline of 2013


was agreed upon for the elimination of agricultural export subsidies.\textsuperscript{563} The WTO Ministerial agreement stated that duty-free, quota-free access would be “provided for all LDCs [least developed countries] on a ‘lasting basis’ by 2008 for at least 97 percent of all products.”\textsuperscript{564} This agreement allowed room for Japan to protect certain markets, including fish, leather goods, footwear, and rice.\textsuperscript{565} However, Toshihiro Nikai, the Japanese Minister of Trade, Economy and Industry, claimed that a “one village, one product” initiative would contribute to the Doha round of trade talks by helping developing countries sell their products in some Japanese airports.\textsuperscript{566}

An April 30th deadline for agreeing on specific terms on eliminating export subsidies was set by WTO ministers in December.\textsuperscript{567} Those plans were later abandoned because “differences between major players in the negotiations remained too large,” according to Pascal Lamy, the director-general of the WTO.\textsuperscript{568}

Taking the above factors into consideration, it is clear that Japan has only partially complied with its commitment made at the Gleneagles Summit.

Analyst: Kristin Eberth

6. Russia: 0

Russia has only partially complied with its commitments on export subsidies. As the only member in the Group of Eight not currently party to the World Trade Organization Agreements, Russia is generally on the margins of any global process in trade reform.\textsuperscript{569} Yet, despite Russia’s exclusion from the Doha Round and WTO discussions, the Russian government has been active in developing its export subsidy and promotion capabilities, while also moving toward reducing subsidies on a number of protected products and sectors.

In the Federal Budget of 22 February 2006, the Russian government reaffirmed its commitment to guarantee the credit of exporters, both on its own accord and through Roseximbank, the state export credit agency.\textsuperscript{570} The same document mentions the Russian government’s “support” for expansion of industrial product exports to foreign markets, although whether or not such actions

\textsuperscript{566} DAVOS-“One Village One Product” to Help Free Trade-Japan, Reuters, 30 January 2006.
entail fiduciary support is unclear. On a positive note, the Russian Federation has decided to consider seriously the reform of its agricultural trade policy, lowering tariffs on cheese, and scheduling a decision on dismantling export quotas for agricultural quotas at the next meeting of a joint committee between the Ministries of Economic Development and Agricultural Production.

In a speech to the World Trade Organization on 26 April 2006, Director of the Department for Trade Negotiations for the Ministry of Economic Development, Maksim Medvedkov, noted that this year the Russian Federation’s budget for agricultural subsidies would total US$9 billion, supplemented by a further US$3.5 billion for distribution by the regional governments. Director Medvedkov, however, was quick to point out that the existing level of subsidies is 30 times less than it was between 1987 and 1989 but the volume of production for this period has doubled. Russia’s export subsidy programs, however, may be of little global importance. The World Bank has suggested that the Russian Federation, along with the other economies of the Former Soviet Union, would receive large benefits from the reform of protectionist agricultural policies in developed nations rather than in their own economies.

Therefore, given its long-term progress in reducing export subsidies and its current inability to partake in international negotiations on subsidy reform, the Russian Federation has been awarded a score of 0.

Analyst: Michael Erdman

7. United Kingdom: +1

The United Kingdom (UK) has registered full compliance with its commitment to reduce export subsidies since the Gleneagles Summit in 2005. Despite a lack of significant progress at the WTO Ministerial Meeting in Hong Kong, the UK has pushed for the elimination of export subsidies and has publicly sought to encourage the negotiation process. Prime Minister Tony Blair stated that he was “determined that the UK will play its full part in driving this progress forward. That includes, of course, winning a fair deal on trade for the developing world — which


is vital to tackle global poverty.”\footnote{576} In February, Blair called for a new push on trade discussions, and Trade and Industry Minister Allan Johnson was optimistic about the possibility of a trade deal.\footnote{577}

However, some critics claim that the UK has not done enough to influence the European Union (EU). In March, \textit{The Independent} criticized the UK for allowing the EU to “set an agenda that would open precarious manufacturing and service sectors in developing countries to an onslaught of European and US competition.”\footnote{578} International Development Secretary Hilary Benn denied such claims, stating that, “Britain is one voice within the EU and we’re using it loud and clear to push for change, but it’s simply not true to say that somehow the lack of progress is down to a lack of effort on Britain’s part, because that isn’t the case.”\footnote{579}

Regarding the WTO meeting, Chancellor of the Exchequer Gordon Brown admitted at the World Economic Forum in January that trade negotiations had failed.\footnote{580} He encouraged the EU and the US to reinvigorate negotiations with a new proposal.\footnote{581} The EU has been criticized for being an obstacle in trade talks. According to Andrew Mitchell, the British Shadow International Development Secretary, “the EU’s unwillingness to reform agriculture and abandon protectionism is the roadblock to a deal at the WTO.”\footnote{582} Pascal Lamy, the director-general of the WTO, also stated that the EU held the key to the outcome of the Doha round.\footnote{583} However, both the UK and Brazil have begun attempts to make progress on trade talks by encouraging the main parties to make further concessions.\footnote{584}

For its role in promoting the advancement of trade negotiations leading to the elimination of export subsidies, Britain has earned a score of +1.

\textbf{Analyst: Kristin Eberth}

\section{8. United States: 0}

Since the Gleneagles G8 Summit, the United States (US) government has partially complied with its commitment regarding export subsidies by extending concessions in trade of agricultural goods: including the provision of broader market access, and the elimination of some export subsidies. At the Hong Kong meeting of the World Trade Organization (WTO), American officials participated in a number of discussions regarding greater concessions for developing...
countries. The US government, however, has been less successful in fulfilling its commitment regarding manufactured goods and services.

US negotiators took substantial measures to end subsidies in agricultural goods at the Hong Kong meeting of the WTO. They supported a measure to end all export subsidies to farmers by 2010, a position which was rejected by EU officials resulting in an end date of 2013.585 This demonstrates a real commitment on the part of US officials to end export subsidies in agriculture by a credible end date. The US government has also urged the EU to go further in cutting food import tariffs.586

The American offer of duty-free access to the US cotton market for West African states may be the country’s biggest trade concession. Under this agreement, free market access would be provided for 97% of all goods from the poorest nations by 2008.587 The US also agreed to end all export subsidies on cotton by 2006, although this is not a mandatory commitment.588 Since the Hong Kong meeting, the US government has taken significant steps to implement its promise—in February 2006, the U.S. Congress approved a bill to eliminate major subsidies to the cotton industry. This step fulfils the commitment made at Hong Kong about cotton subsidies.589

In May 2006 the US concluded a bilateral market access agreement with Vietnam, which will lower trade barriers to a wide range of agricultural and industrial products and services and help clear the way for Vietnam's accession to the WTO.590 While this agreement mainly helps US industrial and agricultural products, and removes non-tariff barriers currently faced by US service providers, this can be seen as facilitating U.S. commitment of liberalizing trade in general.

In spite of these concessions, some US representatives continue to obstruct efforts to lower barriers to textile imports for some less developed countries. US Trade Representative Rob Portman indicated that his government was not yet willing to allow textile producers in countries like Bangladesh full access to the US market; such concession would only come as part of an overall trade package.591 For the same reason, US officials have expressed some concern with "Trade for Aid," which aims to provide funding for less developed countries to help them improve trade infrastructure, and to compensate them for losses from free trade. American

officials have, however, signalled a willingness to accept the package in principle, and have announced an increase in America’s "Trade for Aid" package.  

The concessions themselves have also faced criticism. While ending export subsidies in cotton is seen as a big step, some have argued that this measure is not a concession by the US, but simply a response to a WTO cotton panel ruling. Some also suggest this concession falls short of the WTO ruling. This impasse between EU and US negotiators has also inhibited progress on issues relating to trade in manufactured goods and services.

The US government has been, therefore, less successful with regards to liberalizing trade in services and manufactured goods at Hong Kong; only commitments for further negotiations were secured. A commitment was made to intensify market access negotiations to achieve higher levels of liberalization in key service sectors, such as financial services, telecommunications, and computer services with several deadlines established for further rounds of negotiations on these issue areas.

While the US has been unable to show concrete results in liberalizing trade in services and goods, it has made some efforts to generate progress in these areas in terms of lobbying. Since the completion of the Hong Kong meetings, the US has been urging other members of the WTO to fulfill their commitments — while US Trade Representative Rob Portman has been pressing the EU and other wealthy countries to embrace deep cuts in agricultural tariffs, he has also been urging emerging economies to accept significant reductions in industrial tariffs, and to open their markets to services. On February 28 2006, the US joined other countries in an attempt to jumpstart the services negotiation of the Doha round; however, the outcome of these negotiations is not yet clear.

9. European Union: 0

Despite making some progress on the issue of trade and export subsidies at the December WTO Hong Kong Ministerial Meeting, the EU has failed to meet the subsequent Doha Round deadline, and has therefore registered a partial level of compliance with its Gleneagles commitment.

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At the December 2005 Ministerial Meeting in Hong Kong, the EU declared that it would eliminate agricultural export subsidies by the year 2013, and made significant commitments in issues of trade and agriculture. Peter Mandelson, the EU Trade Commissioner, called the Hong Kong Ministerial Conference of December 2005 “a genuine advance for the agriculture negotiation and for the development goals of the Doha Round.”

However, a final trade deal which was due to be signed at the meeting was postponed after agreement could not be reached. An April 30th deadline was set for outline proposals, but was missed, as talks stalled over demands from the EU and US for market-opening concessions by poor countries. Facing increasing protectionist pressures at home, the EU has been reluctant to make concessions to poor countries on agriculture without reciprocal concessions on industrial goods and services. Mandelson called on developing nations to improve their offers on non-agricultural industries, stating that "failing this, the round (of trade talks) [would] not succeed."

Some progress was made in January when Mandelson, meeting with other trade officials for the World Economic Forum in Davos, agreed to a new framework for achieving a trade agreement this year. The "work programme" outlines a precise timetable for 33 contentious subjects from agriculture to aid for trade. It proposed deadlines to abolish all subsidies for cotton exports by developed countries by 2006, established a framework for a deal on market access of manufactured goods by end of April, and set up an October 2006 deadline to deliver a draft agreement on the service sector. However, Mr. Mandelson spoke of a lack of movement on agricultural tariffs, and warned a trade deal would be achievable only if everybody were to gain from it.

Mandelson was also notably absent from the meeting of WTO trade ministers in Geneva in early May. Explaining his absence, Mandelson expressed concerns over the US' willingness to match EU commitments regarding agriculture, stating that "the EU is prepared to give a lot but it can't keep giving and getting nothing in return."

Analyst: Jelena Madunic

Trade: Least Developed Countries

Commitment:

“We also committed to address products of interest to Least Developed Countries in the negotiations, and to ensure Least Developed Countries have the flexibility to decide their own economic strategies.”

-Chairman’s Summary (final press conference)\(^{602}\)

Background:

At the Doha Ministerial Conference in November 2001, participants implemented the Doha Declaration, which reconfirmed the objective of the WTO Agreement to establish a fair and market oriented trading system by preventing restrictions and distortions in world agricultural markets. The Fifth WTO Ministerial Conference was held in September 2003 in Cancun, Mexico. The Ministerial ultimately collapsed after the QUAD countries (US, EU, Japan and Canada) failed to reach an agreement with the G-20 bloc of developing countries (including Brazil, India and China). The G8 countries nonetheless understand the importance of assisting developing countries in their endeavour to create viable economic growth and to alleviate poverty. To this end, they have made the commitment to put the talks back on track and resume negotiations to meet extended deadlines — namely completion by the end of 2006. The minor agreements reached at the 2005 Hong Kong Ministerial were a step in this direction.

Specifically, the agreements reached in Hong Kong following the G8 Summit in Gleneagles includes a commitment to “[provide] duty-free and quota-free market access on a lasting basis, for all products originating from all LDCs by 2008 or no later than the start of the implementation period in a manner that ensures stability, security and predictability.”\(^{603}\) Participants also agreed that, “[members] facing difficulties at this time to provide market access as set out above shall provide duty-free and quota-free market access for at least 97 per cent of products originating from LDCs, defined at the tariff line level, by 2008 or no later than the start of the implementation period.”\(^{604}\)

The G8 countries commitment to assist the Least Developed Countries (LDC) made during the Gleneagles Summit is both a precursor to and a further example of this goal. It is also part of the Framework developed in August of 2004 to help get the Doha Development Agenda (DDA) back on track. Negotiated primarily by the US, EU, Australia (from the Cairns Group), Brazil (from the G20) and India, the package agreed to major concessions that they had previously resisted in Cancun: wealthy states, in particular the EU, agreed to place all trade-distorting agricultural subsidies on the table for discussion and committed to making significant cuts;


wealthy countries agreed to a ‘down payment’ on this deal in the form of a 20% reduction in total current agricultural subsidies at the beginning of the implementation period for the Round; LDCs (including 34 in Africa, of which 25 are WTO members) received an agreement in principle to receive increased market access while maintaining the right to shelter their domestic industries; and three Singapore Issues (foreign investment, competition policy, and government procurement) were dropped from the DDA with the fourth (trade facilitation) kept on in the understanding it would only result in a clarification and simplifying of current agreements. In exchange, developing countries agreed to further open their markets to manufactured imports and agreed to continue negotiations on a deal in trade in services.  

Team Leader: Jonathan Scotland

**Assessment:**

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<th>Lack of Compliance</th>
<th>Work in Progress</th>
<th>Full Compliance</th>
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<td>Canada</td>
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**Individual Country Compliance Breakdown:**

1. **Canada: +1**

Canada is on its way to achieving compliance with its goal of ensuring that Least Developed Countries (LDCs) have the flexibility to pursue their own economic policies.

In 2003 Canada expanded its LDC Market Access Initiative, which opened the Canadian market to goods from 48 LDC states. In other words, prior to Gleneagles had already liberalized the rules of origin and granted duty-free preferential treatment amounted to 99% to LDC products. Once quotas are reached, the exceptions are on dairy, poultry, and eggs. In addition to its LDC Market Access Initiative (LDC-MAI), Canada is a member of the Doha Development Agenda’s Global Trust Fund, the Integrated Framework, the Standards and Trade Development

www.globalissues.org/TradeRelated/FreeTrade/July2004Package.asp


Facility, and the International Trade Centre, all multilateral programs designed to assist the LDC’s.  

In July of 2005 the Ministry of Foreign Affairs published “Agenda 2006: A Progress Report 2004-2005” in which it stated that due to the LDC-MAI, Canadian imports of goods from LDCs have increased at an average annual rate of 32.5%. Many have critiqued that this is in fact a miniscule gain since it is compared to import levels from LDCs in 2002 which were less than one thousandth, 0.1%, of total Canadian imports.

Publicly, the Canadian government continues to be an advocate of assisting LDC trade and development. In his address to the UN Summit in September, former Prime Minister Paul Martin remarked, “How can we talk about development as we chase poor farmers from their land because of their inability to compete on their own agricultural export markets, which are over subsidized by rich countries?” Critics are quick to charge that despite this dialogue the Canadian government has been slow to follow its statements with concrete actions. The 2006 Budget also allocated up to $320 million for different international programs to alleviate poverty, fight against polio, tuberculosis, malaria, and provide assistance to cope with natural disasters.

Though Canada remains committed to the goal of ensuring that Least Developed Countries (LDCs) have the flexibility to pursue their own economic policies, a lack of post Gleneagles LDC initiatives limits its compliance score.

Analysts: Jonathan Scotland and Christopher Yung

2. France: 0

France has yet to achieve significant compliance with its Gleneagles goal of ensuring that the Least Developed Countries (LDCs) have the flexibility to pursue their own economic policies.

France’s primary involvement to date has been through the EU initiatives at the Hong Kong Ministerial and its representation at the Doha round negotiations. In the past, France has taken significant steps, such as the International Conference on Financing for Development, held in Monterrey in 2002, where France proved it was eager to promote developmental funding through its actions with Great Britain to create an “International Finance Facility” and promote public

private partnerships. It also confirmed its objectives through a pledge to increase its ODA to 0.5% of gross national income (GNI) and to 0.7% by 2012.

On 13 December 2005. Christine Lagarde reaffirmed France's intention to seek in Hong Kong measures for developing countries. "The poorest countries are expecting a message from us in Hong Kong. France is fully behind the Commission's goal which is to achieve during the conference, an ambitious and concrete package of development measures."

It should be noted, however, that France heavily criticized the reduction in EU farm tariffs by 38.9% as being too high, up from the previously proposed 24% cut.

The French Minister of Trade stated in April 2006:

80% of agricultural exports from the least developed countries are taken in by the European market. Europe buys more agricultural products from the least developed countries than all OECD countries, including United States, Canada, Japan, Australia and New Zealand, despite the fact that Europe only represents a market of 450 million consumers. And we do so without customs tariffs thanks to the Everything But Arms initiative.

In keeping with this statement, France earmarked some €100 million as part of the “Euro-African partnership on cotton”.

Analysts: Jonathan Scotland and Constance Smith

3. Germany: 0

Germany registered an incomplete level of compliance with Gleneagles’ commitment to foster stronger economic growth, through trade, in LDCs.

Germany has taken a strong lead in helping LDCs develop their own economic strategies. For example, Trade Africa, supported by German official development assistance (ODA) of €332 000 in 2004-2005, is a training program which gives promoters, coordinators of local economic efforts...

promotion initiatives, small and medium-scale enterprises as well as junior export professionals practical know-how in export marketing.\(^{619}\)

Trade-Related Technical Assistance and Capacity Building (TRTA/CB), financed for the most part by the German Federal Ministry for Economic Cooperation and Development (BMZ), is delivered on demand to developing countries mainly as part of bilateral activities in the field of “economic development and employment,” one of the priority areas of Germany’s ODA but also as part of activities in the fields of “Agriculture” and “Institution Building.” Germany emphasizes the importance of embedding developing countries’ trade policies in comprehensive national development and poverty reduction strategies. German Trade-Related Technical Assistance and Capacity Building’s longer-term aim is to reduce poverty by integrating developing countries into the global economy, enabling the latter to fully benefit from the advantages of globalization, while being able to respond to its risks effectively.

The German government repeatedly voiced its support for developments at the Hong Kong Ministerial in December 2005. German Development Minister Heidemarie Wieczorek-Zeul said the results of the conference — which included an agreement to end EU agricultural export subsidies by 2013 and grant all LDCs duty-free and quota-free access to developed country markets no later than 2008 — will lead to “fairer trade relations.”\(^{620}\) Minister Wieczorek-Zeul was adamant, however, that the agreements reached at the Ministerial were merely first steps and that further action is needed to ensure even “fairer trade relations and justice in globalization.”\(^{621}\)

A report monitoring progress of the millennium goals stated that: “Almost all exports from the least developed countries face duty and tariff-free access to the European Union market. While there are only a few exceptions to this free market access, three products that are important agricultural products for poor countries — sugar, rice and bananas — were excluded in order to appease vested interests in the EU. In addition, strict rules still make it difficult for goods from poor countries to gain access to the EU market. In the textiles sector, for example, rules of origin prevent poor countries that import fabric to produce clothing from exporting this clothing to the EU.”\(^{622}\)

Thus, while Germany continues to attempt to implement its commitments with respect to trade with the LDCs, there are still many challenges and measures that must be taken before they can be said to be in compliance.

Analyst: Jennifer Hodgins


4. Italy: 0

Italy demonstrated moderate support for its commitments made in Gleneagles to ensure Least Developed Countries have the flexibility to decide their own economic strategies.

Italy’s primary contribution consists of a €1,000,000 donation bestowed for WTO technical assistance for the year of 2005. The donation will be split between the Doha Development Agenda Global Trust Fund, as well as the Integrated Framework (IF) and Trade Development Facility (STDF). The decision to donate funds to these three bodies reaffirms Italy’s support for LDCs “to participate fully in the world trading system and in the current trade negotiations.”

The Doha Fund, for instance, aims to improve the participation of LDCs in WTO negotiations. Similarly, the IF is key for the enhancement strategies regarding LDCs economic growth and poverty reduction, and the STDF aids developing countries to ensure their goods meet international sanitary and phytosanitary standards.

Analysts: Jonathan Scotland and Constance Smith

5. Japan: +1

Japan demonstrated a high level of compliance with its G8 commitment to address products of interest to Least Developed Countries (LDCs) and to ensure that LDCs have the flexibility to decide their own economic strategies.

In February 2006, Japan initiated its One Village, One Product (OVOP) part of the "Development Initiative for Trade" initiative which was announced during the 2005 Hong Kong Ministerial.

With regards to the Doha Declaration and the current round of WTO negotiations, Japan has committed to comprehensive participation. In an attempt to build momentum for the WTO negotiations in Hong Kong in December 2005, the Japanese government agreed to provide US$10 billion in trade-related aid to LDCs over three years. In an aid package that was presented to the WTO, the Japanese government also committed to provide duty-free and quota-free market access for “essentially all products” originating from LDCs. Increasing market access to LDCs was part of the commitment made in the Doha Declaration and continues to be negotiated with a conclusion expected in 2006. As of December 2005, the number of LDC products Japan provided duty-free preferential treatment amounted to 86%. This package was

part of a previous commitment made in July in Gleneagles, Scotland for US$10 billion in overseas aid over the next five years.\textsuperscript{627}

Japan’s aid package also outlined Japan’s emphasis on soft loans, grant aid, and technical assistance to improve trade. Further, Japan committed to exchange a total of ten thousand trainees and experts in the fields of trade, production and distribution infrastructure.\textsuperscript{628}

In April 2005, at the Asia-Africa Business Summit, Japan sought a conclusion of a free trade agreement with neighbouring Asian countries and committed to a comprehensive economic partnership for Africa. At this summit, the Prime Minister of Japan announced that his government will provide as much assistance as possible to develop human resources in an attempt to further facilitate trade and investment between Asia and Africa.\textsuperscript{629} They have done this with their recent aid package presented in Hong Kong.

Analysts: Jonathan Scotland and Ani Kevork

6. Russia: -1

Russia failed to meet Gleneagles’ LDC trade commitments. Speaking as an observer at the Hong Kong Ministerial, the Russian federation trade representative, Mr. Maxim Medvedkov, stated Russia’s support of “efforts of all parties of multilateral trade talks aimed at achieving substantive agreements within the Doha Development Round.”\textsuperscript{630} Furthermore, he stated its support of a “balanced, and evolutionary approach to trade liberalization.”\textsuperscript{631} They are working towards having Russia become a member of the WTO and that as Chair of the G8 from 1 January 2006, they will do their “best to promote ambitious and balanced results of the Doha Round.”\textsuperscript{632} While they have concluded bilateral negotiations, they are currently focused on finalizing the Working Party Report. The Russian Federation emphasizes that they will only “undertake commitments which reflect the specific character and the actual level of development of its economy.”\textsuperscript{633}

\textsuperscript{630} Statement by Mr Maxim Medvedkov, WTO Hong Kong Ministerial Conference (Hong Kong), 17 December 2005. Accessed: 3 January 2006. www.wto.org/english/tratop_e/minist_e/min05_e/min05_statements_e.htm.
\textsuperscript{631} Statement by Mr Maxim Medvedkov, WTO Hong Kong Ministerial Conference (Hong Kong), 17 December 2005. Accessed: 3 January 2006. www.wto.org/english/tratop_e/minist_e/min05_e/min05_statements_e.htm.
\textsuperscript{632} Statement by Mr Maxim Medvedkov, WTO Hong Kong Ministerial Conference (Hong Kong), 17 December 2005. Accessed: 3 January 2006. www.wto.org/english/tratop_e/minist_e/min05_e/min05_statements_e.htm.
\textsuperscript{633} Statement by Mr Maxim Medvedkov, WTO Hong Kong Ministerial Conference (Hong Kong), 17 December 2005. Accessed: 3 January 2006. www.wto.org/english/tratop_e/minist_e/min05_e/min05_statements_e.htm.
Russia has trade preference agreements with 51 least developed countries and its tariffs are generally 75% lower than most favourable nation regimes. Overall, Russia’s commitment to trade goals that will eventually improve the plight of Least Developed Countries is not evident through Russian initiatives. In fact, most of Russia’s advancements in trade liberalization have been through bilateral agreements with non-LDCs. Membership in the WTO and the conclusion of bilateral talks with the US on access to their markets comprise the dual goals of Russian trade policy. Trade with LDCs remains outside of the perimeter of Russia’s trade goals. The Russian Federation receives a score of -1 for non-compliance with the G8 commitment regarding trade and LDCs.

Analyst: Jennifer Hodgins

7. United Kingdom: +1

The United Kingdom achieved compliance in meeting the goals laid out at Gleneagles to address products of interest to Least Developed Countries and to ensure Least Developed Countries have the flexibility to decide their own economic strategies.

In October 2005 the UK co-chaired the fifth meeting of the Africa Partnership Forum with Nigeria. At this meeting, the UK reaffirmed its Gleneagles commitments made at Gleneagles with the introduction of a draft paper outlining the UK’s willingness to monitor and report on its joint ventures with the AU/NEPAD bodies, “[focusing] on policies and outcome … [with] time-bound benchmarks against which progress can be measured and monitored.” The plan also called for an annual report, beginning in October 2006, to measure progress against some or all elements of the Plan.

The UK was also a supporter of the WTO’s move to eliminate all export subsidies and considered the agreed date of 2013 disappointing. Concerned that its development agenda was lagging, the UK’s Finance Minister Gordon Brown issued a five point plan calling on, among other initiatives, to expand the number of Highly Indebted Poor Countries (HIPC)s eligible for debt relief from 38 to 67 (only 19 of those 38 have been granted clemency thus far). In recognizing the impact of rising oil prices on LDCs, the UK also proposed the consideration of a new US$20 billion World Bank loan and grant fund for investment in alternative energy sources.

Other UK led initiatives include: the Infrastructure Consortium for Africa, designed to accelerate progress to meet the urgent infrastructure needs of Africa in support of economic growth and development\(^639\); the Africa Enterprise Challenge Fund, a multi donor fund encouraging job creation with a commitment of US$20 million over the initial three year period\(^640\); and the new Jamaica Country Assistance Plan (CAP) launched in Kingston on 30 November 2005.\(^641\)

8. United States: +1

The United States demonstrated a high level of compliance with its commitment to address products of interest to Least Developed Countries, and to ensure Least Developed Countries have the flexibility to decide their own economic strategies.

A leading provider of trade-related assistance, including trade-related physical infrastructure, U.S. assistance totaled US$1.34 billion in 2005 — up 46% from 2004 and more than double since 2001.\(^642\) On 14 December 2005 the U.S. announced a commitment to double its contribution for trade-related aid from its current levels to an annual total of US$2.7 billion by 2010.\(^643\) Specific LDC initiatives include the West Africa Cotton Improvement Program, designed to offer poor African countries a $7 million plant to boost their cotton sales and limit the damage done to their farmers by U.S. cotton subsidies.\(^644\) In addition to this, the elimination of trade distorting subsidies is one of the topics currently being negotiated in the Doha round which is expected to be finalized in 2006.

With the U.S. Proposal for Bold Reform in Global Agriculture Trade, released in December of 2005, the U.S. government is building on WTO Uruguay Round commitments and the July 2004 Framework agreement for agricultural modalities. This package has been presented to further WTO negotiations for the development of the Doha Development Agenda. The U.S. government proposes a reduction of trade distorting support by 53% and a cut of Aggregate Measurement of Support by 60% in the U.S., as well as an elimination of trade-distorting subsidies and tariffs in agriculture. The latter would have a five-year phase-in period.\(^645\)

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On 2 December 2005, the U.S. Department of Agriculture increased the quantity of the 2006 tariff rate quota for raw sugar to 1.5 million metric tons and the quota for refined sugar to 211,207 metric tons for African and Caribbean countries. LDCs that would be affected include Mauritania and Mozambique. The US imports more textiles and apparel from LDCs than the rest of the world combined, with about US$4.8 billion of imports in the last year alone. LDCs are eligible for duty free access on 83% of the products in the U.S. tariff schedule. Cambodia is second only to Bangladesh as the largest supplier of textiles and apparel to the U.S.

In July 2005, the U.S. government also released the African Growth and Opportunity Act Competitiveness Report to support the African Action Plan outlined at the Kananaskis Summit in 2002. This report provides information that will help African countries to develop their trade relationships with each other, the US and other markets.

Analysts: Jonathan Scotland and Ani Kevork

9. European Union: +1

The European Union registered a high level of compliance with the goal of ensuring that Least Developed Countries (LDCs) have the flexibility to pursue their own economic policies.

The cornerstone of the EU strategy is its “Everything but Arms” initiative, which seeks to eliminate duties and quotas on all LDC commodities, except weapons, within the EU. The initiative is seen as a “role model” strategy and the EU frequently refers to it when commenting on the trade arrangements of other states. The EU is also supporting trade liberalization measures for LDC states in economic forums such as the WTO.

The dilemma facing the EU lies within the conflicting interests of its member states. EU Trade Commissioner Peter Mandelson caused a political uproar in October when he proposed to cut farm tariffs by an average of 46% to rekindle the Doha round of talks. The issue has created a deep divide between agriculturally interested states such as France and Ireland and pro-CAP-

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650 EU commissioner welcomes Japan's aid package for developing countries, BBC Monitoring Asia Pacific — Political (London), 12 December 2005.
reform states such as Britain. Despite these political concerns, current signs indicate that the trade commissioner is pushing hard for the liberalization of agriculture.  

Externally preferential trade agreements with developing countries are also facing attacks from the WTO. Australia, Brazil, and Thailand recently won a challenge that EU guaranteed sugar prices to developing countries were in breach of trade rules. However the body did maintain that “the EU should keep its commitment to the sugar producers of the African Caribbean and Pacific nations.” This resulted in the creation of a US$40 million fund by the European Union to fund sugar production in developing countries.

Currently the EBA gives unrestricted access to LDCs to the EU market with the exception of 3 agricultural commodities. Tariffs on Bananas have been gradually lowered since 2002 and are slated for full liberalization in January 2006. Also that month liberalization will begin for rice and sugar. Currently only a quota amount of rice and sugar may be imported to the EU duty-free, full liberalization on all goods is scheduled for 2009. It should be noted, however, that the EU pushed heavily to move the date of ending export subsidies from 2010 to 2013.

Most recently, the EU agreed in principle to reconsider LDC demands to further cut its import tariffs. EU trade negotiator David O’Sullivan stated, in reference to the 54% reduction in tariffs called for by the G-20, “We will be willing to look at our offer and move towards, but not to, the G-20 position”

Analysts: Jonathan Scotland and Christopher Yung

Middle East Reform

Commitment:

“We support Mr Wolfensohn’s intention to stimulate a global financial contribution of up to $3bn per year over the coming three years. Domestic and international investors should be full partners to this process. We are mobilising practical support for Mr Wolfensohn’s efforts and look forward to further development of his plans and their presentation to the Quartet and the international community in September.”

-Middle East Peace Process

Background:

Consisting of Russia, the United States, the European Union (EU), and the United Nations, the Middle East “Quartet” was established in 2002 for the purpose of developing and implementing “a comprehensive action plan for reform” in the Middle East. Mr. James Wolfensohn, as the Quartet’s Special Envoy for Gaza Disengagement, developed a plan that includes six key “make or break” issues “the parties must address for disengagement to work.” The plan further includes three key areas for support and reform “that will have the greatest impact and be most likely to foster hope for a new future” for the Palestinian people. Included in his proposal are calls for the opening of a border crossing at Rafah and for significant financial assistance directed toward stabilizing and improving the economy in the Palestinian territory in both the short and medium terms. It is this package of proposals that the G8 members endorsed and pledged to support at the Gleneagles summit in July 2005.

The political context within which this commitment is located has changed remarkably, however, since Russia assumed the G8 presidency in January of this year. Former Israeli Prime Minister, Ariel Sharon, remains in a coma following a stroke suffered in January, and Ehud Olmert became Prime Minister following an election victory in March 2006 as the head of Sharon’s new Kadima party. In addition, Hamas gained control of the Palestinian Authority with a dramatic

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663 Profile: Ariel Sharon, BBC News Online, 28 May 2006. Date of Access: 30 May 2006. news.bbc.co.uk/2/hi/in_depth/middle_east/2001/israel_and_the_palestinians/profiles/1154622.stm,
election victory in January of this year,\textsuperscript{664} and Mr Wolfensohn is no longer the Quartet’s Special Envoy for Gaza Disengagement.

See Appendix B for a full rationale of the coding rules for this commitment.

Team Leader: Aaron Raths

**Assessment:**

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<tr>
<th>Country</th>
<th>Lack of Compliance</th>
<th>Work in Progress</th>
<th>Full Compliance</th>
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**Individual Country Compliance Breakdown:**

1. **Canada: +1**

Canada demonstrated full compliance towards its Gleneagles commitment to Mr Wolfensohn’s plan for Middle East reform through an increase in financial aid targeted at economic development, the deployment of Canadian officials in support of border management efforts, and the establishment of an institution devoted to the promotion of peace in the region.

On 15 September 2005 former Canadian Prime Minister Paul Martin pledged a further CAD$24.5 million in additional Canadian assistance to strengthen the capacity of the Palestinian Authority.\textsuperscript{665} Canadian funding focused on facilitating economic development and good governance in four sectors, including safety and security, governance, economic development and the private sector, and the refugee issue.\textsuperscript{666} CAD$6 million has been set aside to provide up to 1,300 microcredit loans, 2,000 temporary jobs, and training for 1,800 entrepreneurs to improve the living conditions of Palestinian refugees in the Gaza Strip.\textsuperscript{667} In September, the Canadian government augmented its initial May 2005\textsuperscript{668} CAD$12.2 million package to

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CAD$13.2 million, bringing the total figure for the government’s aid package to the Palestinian people to CAD$36.7 million.\(^{669}\)

As part of Canada’s enhanced package of assistance to the Palestinians, on 15 November 2005 former Foreign Affairs Minister Pierre Pettigrew announced the deployment of a high-level border management expert in support of the work of Mr Wolfensohn.\(^{670}\) Canada Border Services Agency is also providing additional expert assistance to the Palestinian Authority in the area of border management.\(^{671}\)

On 28 November 2005 former Foreign Affairs Minister Pettigrew also announced plans for a centre to support peace and democracy in the West Bank, the Gaza Strip, and throughout the Middle East, with the creation of the Canada Centre for Peace and Democracy.\(^{672}\) Canada intends to use the Centre to introduce innovative technologies and solutions to facilitate governance, democratic dialogue, and capacity building enhancement.\(^{673}\)

Also, on 14 February 2006 Canadian Prime Minister Stephen Harper issued a statement emphasizing Canada’s full support of the Quartet’s statement of 30 January 2006.\(^{674}\) The Quartet concluded that it was inevitable that future assistance to any new Palestinian government would be reviewed by donors against that government’s commitment to the principles of nonviolence, recognition of Israel, and acceptance of previous agreements and obligations, including the Roadmap.

On 7 March 2006, in response to the Hamas victory in the Palestinian Elections, Foreign Affairs Minister Peter MacKay reiterated Canada’s commitment to the goal of a comprehensive, just, and lasting peace in the Middle East, saying, “Any assistance to a new Palestinian government will require that government’s commitment to the principle of non-violence, recognition of Israel and the acceptance of previous agreements and obligations, including the Quartet’s Roadmap for Peace.”\(^ {675}\)

On 29 March 2006, in response to Hamas forming the newest government of the Palestinian Authority and not addressing the concerns raised by Canada, Minister MacKay and International


\(^{674}\) Statement by the Prime Minister on the situation in the Palestinian Authority, Office of the Prime Minister (Ottawa), 14 February 2006. Accessed: 7 May 2006. pm.gc.ca/eng/media.asp?id=1016.

\(^{675}\) Statement by Minister Mackay on the Middle East, Department of Foreign Affairs and International Trade (Ottawa), 7 March 2006. Accessed: 7 May 2006. w01.international.gc.ca/MinPub/Publication.asp?publication_id=383730&Language=E.
Cooperation Minister Josée Verner announced that Canada will have no contact with the members of the Hamas cabinet. Canada also suspended assistance to the Palestinian Authority.\textsuperscript{676}

Canada has made an important distinction between assistance to the Palestinian Authority and to Palestinians.\textsuperscript{677} Despite cutting off direct aid to the Palestinian government, Canada continues to work with its partners and through the United Nations, its agencies, and other organizations, to support and respond to the humanitarian needs of the Palestinian people.\textsuperscript{678} Canada has also pledged to continue to work with the voices of moderation within Palestinian Society.\textsuperscript{679}

Analyst: Kyle D’Souza

2. France: +1

The government of France is in compliance with its commitment to Middle East reform made at the Gleneagles Summit in July 2005. As a member of the European Union (EU), the French government has demonstrated significant support for Mr Wolfenshon’s reform plan by actively participating in the effort to find a suitable plan to resume the transmission of direct financial aid to the Palestinian territories following the suspension of direct aid to the Palestinian Authority in February as a result of the election of Hamas. Furthermore, the French government has hosted, and voiced its support, for Palestinian Authority president Mahmous Abbas, and it has reiterated its commitment to the establishment of a peaceful two-state solution between Palestine and Israel.

The European Union decided to maintain humanitarian aid but to suspend direct aid to the new government following the election of Hamas in January 2006. The annual financial aid by the EU traditionally amounts to 500 million Euros\textsuperscript{680} but the suspension of direct aid has cut that to 120 million Euros.\textsuperscript{681} In response, French authorities have vowed to channel financial aid around the Hamas government to reinforce the Palestinian presidency and to support NGOs working in the Palestinian territories. This was evoked when French president Jacques Chirac hosted PA president Mahmoud Abbas on 27 and 28 April 2006. President Chirac affirmed to President Abbas that he had “the support of France” and he pleaded that it was essential to resume the direct aid to the PA to pay the 160 000 Palestinian civil servants who have been deprived of salary since March 2006.\textsuperscript{682} At the meeting with President Abbas, President Chirac proposed to

\textsuperscript{676} Joint Statement By Minister Mackay and Minister Verner on New Palestinian Government and Assistance to the Palestinian People, Department of Foreign Affairs and International Trade (Ottawa), 29 March 2006. Accessed: 7 May 2006. w01.international.gc.ca/MinPub/Publication.asp?publication_id=383817&Language=E.
\textsuperscript{677} Joint Statement By Minister Mackay and Minister Verner on New Palestinian Government and Assistance to the Palestinian People, Department of Foreign Affairs and International Trade (Ottawa), 29 March 2006. Accessed: 7 May 2006. w01.international.gc.ca/MinPub/Publication.asp?publication_id=383817&Language=E.
\textsuperscript{678} Joint Statement By Minister Mackay and Minister Verner on New Palestinian Government and Assistance to the Palestinian People, Department of Foreign Affairs and International Trade (Ottawa), 29 March 2006. Accessed: 7 May 2006. w01.international.gc.ca/MinPub/Publication.asp?publication_id=383817&Language=E.
\textsuperscript{679} Joint Statement By Minister Mackay and Minister Verner on New Palestinian Government and Assistance to the Palestinian People, Department of Foreign Affairs and International Trade (Ottawa), 29 March 2006. Accessed: 7 May 2006. w01.international.gc.ca/MinPub/Publication.asp?publication_id=383817&Language=E.
\textsuperscript{680} Mahmoud Abbas doit parler de l'aide aux Palestiniens avec Jacques Chirac, Le Monde (Paris), 28 April 2006.
\textsuperscript{682} Jacques Chirac veut maintenir l'aide aux Palestiniens, Le Monde (Paris), 28 April 2006,
create a fiduciary fund managed by the World Bank to pay the salaries of the Palestinian civil servants without transiting the money to the Hamas government.\textsuperscript{683}

The French authorities’ suggestion to create a fiduciary fund was adopted on 9 May 2006 when the Quartet members met in New York. The foreign affair ministers of the Quartet tasked the EU with the responsibility to create the temporary mechanism to channel financial aid directly to the Palestinians.\textsuperscript{684}

Analyst: Hughes Letourneau

3. Germany: +1

Germany registered an acceptable level of compliance with regards to its Gleneagles commitment to mobilize financial and practical support for the Palestinian Authority, as outlined by the recommendations of Mr Wolfensohn.

On 23 August 2005, German Federal Foreign Minister, Joschka Fischer acknowledged the crucial role played by Mr Wolfensohn, indicating that the German government “wholeheartedly supports his work.”\textsuperscript{685} Fischer also urged Israel to “make a decisive contribution to economic development of the Gaza Strip and the West Bank and thus to stability and security.”\textsuperscript{686} On 25 November 2005, in Germany’s response to the opening of the Rafah border crossing, Fischer’s successor as Federal Foreign Minister, Frank-Walter Steinmeier, noted that the “Federal Government remains fully committed to the international road map.”\textsuperscript{687}

Additionally, the German government has demonstrated its commitment to Mr Wolfensohn’s reform package through its partnership in the €14 million financial aid package announced by the European Commission on 13 December 2005.\textsuperscript{688}

Furthermore, the German government has demonstrated its commitment through its support of the EU’s efforts to ensure safety and security at the Rafah border crossing between Egypt and the

Palestinian Territory, by providing a number of experts to serve within the planned EU border protection and customs mission. Moreover, the German Federal Foreign Office has contributed €500,000 in funding for the mission.

Citing Hamas to be a terrorist organization, Germany, as an EU member state, cut off direct financial aid to the Palestinian Authority in response to the election of the Hamas government. Meanwhile, the European Union has pledged to meet the humanitarian needs of the Palestinian people through charities and other means.

At a meeting with Egyptian President Hosni Mubarak, on 10 May 2006, German Chancellor Angela Merkel reiterated Germany’s stance on the prospect of political negotiations with the Hamas led Palestinian Authority, stating, “Hamas will have to acknowledge Israel’s right to exist as an independent and sovereign state, and the Palestinian leadership will have to renounce the use of violence.” Chancellor Merkel stated that Germany also has “an interest in making sure that the humanitarian situation does not get worse in the Palestinian territories.”

On 9 May 2006, it was announced that the EU would take the lead in response to the quartet expressing its willingness to endorse a temporary international mechanism “that is limited in scope and duration” and “operates with full transparency and accountability.” European Union diplomats reconfirmed that while the new fund is supposed to administer only money for basic human needs, “at some point, it might be used to pay salaries for urgently” needed services that the Hamas government would be expected to provide. Additionally on 15 May 2006 the European Union pledged “to resume payments to the Palestinians as soon as possible, but said that a new aid mechanism required Israeli support.”

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concern’ about the deterioration in the humanitarian, economic, and financial situation in the Gaza Strip and West Bank that has followed cuts in EU and U.S. payments.”

On 23 May 2006 a new emergency aid package worth €34 million to help meet the “basic needs” of the Palestinian people will be agreed on. Germany remains committed to finding ways of effectively helping families in Palestine, while at the same time making it clear that the Palestinian Authority must change its position if it wants Germany’s cooperation in the future.

Analyst: Kyle D’Souza

4. Italy: +1

The Italian government registered an acceptable level of compliance with its commitment to Middle East reform. Rome’s compliance was achieved primarily through the Italian government’s reiteration of its commitment to a long-term, sustainable solution to the conflict in the region and through its involvement in EU financial and security contributions to stability in the Middle East.

Representatives of the Italian government have repeatedly called for committed and sustained reform on the part of both the Palestinian Authority (PA) and the Israeli government. In March 2006, Deputy Prime Minister and Foreign Minister Gianfranco Fini reiterated the Italian government’s demand for the PA to renounce violence and for Israel to facilitate the resumed implementation of the Quartet Road Map for Israeli-Palestinian Peace. These principles for reform in the Middle East were also endorsed by Italy’s newly elected Prime Minister Romano Prodi, who stressed in May 2006 that direct financial assistance to the Hamas-led PA can only be achieved if the latter party abides by the conditions set by the Quartet.

The Italian government has also supported its calls for reform with commitments to support the peace process through its own contributions and under the auspices of the EU. Speaking with Israeli Prime Minister Ehud Olmert on 8 May 2006, Minister Fini stressed that “the promotion of an area of stability, democracy, peace and mutual comprehension in the Middle East is a priority

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objective of [Italy’s] foreign policy,” towards the achievement of which the Italian government would continue to work and contribute “tirelessly.”

The Italian government’s most important contributions to reform and stability in the Middle East continue to occur through its participation in EU-led initiatives in the region. Italy continues to register an important contribution to the European Union Border Assistance Mission for the Rafah Crossing Point, which is led by Italian Lt. General Pietro Pistolese. Together with its fellow EU member states, Italy has been involved in efforts to establish the temporary international mechanism to deliver aid directly to the Palestinian people in the wake of the international upheaval caused by the election of Hamas to the PA.

Analyst: Marie-Adele Cassola

5. Japan: +1

The government of Japan is in compliance with its commitment to Middle East reform made at the Gleneagles summit in July 2005. The Japanese government has been financially involved in economic stabilization efforts in the Palestinian territories mainly through UN agencies, and Japanese authorities have further reiterated their commitment to the Middle East peace process.

On 9 January 2006, the government of Japan announced financial assistance amounting to US$5,276,745.90 through the Trust Fund for Human security to assist the isolated and disenfranchised communities in the Occupied Palestinian territories. These funds will notably go towards the educational opportunities of Palestinians and the construction of social infrastructure such as homes and roads. The purpose of the program is to improve the quality of social life and thus contribute to the peace process between Palestinians and Israelis.

Additional aid was announced on 17 March 2006 when the Japanese government announced that it would extend food aid to the Palestinians by US$6 million through the United Nations Relief and Works Agency (UNWRA) and the World Food Programme. The aim of this aid is to “alleviate food shortages of the Palestinian people and thus to contribute to advancing the Middle East peace process.”

Japanese Prime Minister Junichiro Koizumi was scheduled to visit the Palestinian territories and Israel at the beginning of January 2006, but postponed his trip due to the health of Prime

Minister Ariel Sharon. However, policy statements say the Japanese prime minister is still committed to “the promotion of the bilateral relations with each party” and “to encourage further efforts by the Israelis and the Palestinians to advance the Middle East Peace Process.”

Analyst: Hughes Letourneau

6. Russia: +1

For the first six months since the Gleneagles Summit, Russia fully complied with the commitment made at the Summit through its active participation in the Quartet of international mediators for Israel and Palestine. Russia’s actions included a proposal for a high level international conference on the Middle East peace process after the Israeli withdrawal from Gaza.716 Russia’s support for the Palestinian Authority’s (PA) security services would also have helped to aid Mr Wolfensohn’s goals of rebuilding the Palestinian economy, since free movement of goods and people within the Palestinian territories and to Israel and other trade partners are essential for Palestinian trade and the rebuilding of the economy. In August 2005, after talks between Russian Foreign Minister Sergei Lavrov and his Palestinian counterpart, Naser al-Qidwa, Lavrov stated that Russia would be supporting training and education for Palestinian security personnel.711 Additionally, Lavrov took part in a Quartet visit to Israel and the Palestinian Territories in October 2005 where one of the goals was to facilitate the implementation the program for Palestinian economic development put forward by Mr Wolfensohn.712

Since the election of Hamas in January 2006, and the refusal of the movement to recognize Israel’s right to exist or renounce the use of force, Russia, through its efforts in the Quartet in aiding the Palestinians, has remained in compliance with the Gleneagles commitment. Mr Wolfensohn has pointed out the dangers of abandoning and undermining the goals of building credible and functional Palestinian institutions by cutting aid in response to the Hamas victory.713 Mr Putin received Mr Wolfensohn in Moscow in February 2006 to discuss the situation in the Middle East after the Hamas electoral success.714 In April 2006, Russia announced that it had promised emergency aid to the Palestinian Authority, which had earlier warned of economic collapse.715

In the Quartet, Russia was for some time the only member that protested against an economic and diplomatic embargo against the Hamas-led government.716 Russia was also a leader in finding a means of channelling aid to the Palestinians around Hamas. In response to the humanitarian needs in the Palestinian territories, on 4 May 2006, Russia transferred US$10

711 Russia ready to provide support for Palestine security services, Itar-Tass Online (Moscow), 25 August 2005.
715 Russia promised to render economic aid to Palestine, Russia Press Digest, 15 April 2006.
716 Quartet agrees on financial assistance to Palestine, RIA Moskovskiy Novosti (Moscow), 10 May 2006.
million in aid to the Palestinian Authority through a special bank account controlled by Abbas’s office.\textsuperscript{717} Sergei Yakovlev, the foreign ministry’s special envoy to the Middle East has said that Russia would continue to keep open the possibility of providing aid to the Palestinian Authority.\textsuperscript{716} The decision of the Quartet on 9 May 2006, to endorse a “temporary international mechanism” to deliver assistance to the Palestinians while bypassing Hamas, might also be seen to be a result of Russian pressure. A meeting between Presidents Putin and Abbas scheduled for 15 May 2006 may lead to further Russian action.

Analyst: Rosita Lee

7. United Kingdom: +1

The government of the United Kingdom (UK) is in compliance with its commitment to Middle East reform made at the Gleneagles summit in July 2005. As a member of the European Union (EU), the British government demonstrated significant support for Mr Wolfensohn’s reform plan prior to the Hamas election victory by participating in a number of EU missions in the region, and by making financial contributions and commitments to further stabilize the economy of the Palestinian territory. The British approach to its commitments toward the process and the Palestinian people has shifted in recent months, but its new policy directions remain consistent with the terms of the Gleneagles commitment.

In 2005, UK government officials expressed unqualified support for the reform process and publicly encouraged others to offer support for reform in the region. UK Foreign Secretary Jack Straw, speaking in London at the Ad Hoc Liaison Committee Meeting on 12 December 2005, explained that planning was underway for an International Pledging Conference in support of reform efforts for early 2006.\textsuperscript{719} One month prior to that address, Foreign Secretary Straw confirmed his government’s support for the reform process and called upon others to embrace this commitment by explaining that reform in the region “must be driven by all,” and calling on others to “share their experience of reform and to provide practical assistance” to the reform effort.\textsuperscript{720}

This rhetorical commitment to the realization of Mr Wolfensohn’s reform plan was matched by the UK’s participation in the mission to monitor and administer the Rafah border crossing into

\texttt{www.mid.ru/bpr_4.nsf/e78a48070f128a7b43256999005bcebb3/9252f456f59d42ac325716a003a5775?OpenDocument}.

\textsuperscript{718} Russia may continue giving aid to Palestine—Foreign Ministry, RIA Moskovskkiye Novosti (New York), 8 May 2006.

\texttt{www.fco.gov.uk/servlet/_front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029391647&a=KArticle&aid=1133774572399}.

\texttt{www.fco.gov.uk/servlet/_front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029391647&a=KArticle&aid=1131975033033}.
Egypt. As holder of the EU’s rotating presidency at the time of the agreement, Prime Minister Tony Blair was a key figure in the negotiations that resulted in the Agreement on Movement and Access.\textsuperscript{721} The British government had additionally, through the EU, committed financial resources in partnership with other investors to the furtherance of reform efforts in the region. On 13 December 2005, for example, the European Commission announced a €14 million contribution to the new European Palestinian Credit Guarantee Fund.\textsuperscript{722}

British policy has, however, shifted since the election of Hamas in January 2006.\textsuperscript{723} On 14 March 2006 Foreign Minister Straw announced that the government had withdrawn British monitors from the Jericho Monitoring Mission, explaining that the “Palestinian Authority has consistently failed to meet its obligations under the Ramallah Agreement.”\textsuperscript{724} Moreover, the UK has, as an EU member, chosen to channel financial aid directly to service providers in the Palestinian Territory, circumventing the Hamas-led Palestinian Authority.\textsuperscript{725} Despite these new policy approaches, UK policy is consistent with the Gleneagles commitment to stimulate financial contributions and to mobilize practical support for Mr Wolfensohn’s previous efforts.

Analyst: Aaron Raths

\textbf{8. United States: +1}

The electoral success of Hamas in January 2006 led to a significant shift in the attitude of the United States towards compliance with the Gleneagles commitment on Middle East reform and peace. Until the election of Hamas, the U.S. actively supported Wolfensohn’s efforts in a number of statements and initiatives, particularly with regards to the Gaza disengagement. This included President Bush’s reaffirmation during President Abbas’s visit in October 2005 that the goal of rebuilding the Palestinian economy had the support of the Quartet and the US. The President also spoke of his agreement with Wolfensohn’s goals and priorities and stated his intentions to consult with the Quartet to extend Wolfensohn’s tenure as Special Envoy to the Quartet beyond the original end date of December 2005.\textsuperscript{726}


The U.S. also supported Wolfensohn’s efforts through diplomatic and aid initiatives. U.S. Secretary of State Condoleezza Rice played a key role in the agreement between Palestinian and Israeli officials on the opening of the international border crossing at Rafah by giving the final push for a solution.\(^{727}\) The agreement, which Rice helped broker, was announced 15 November 2005 and opened the Rafah border crossing between Egypt and Gaza as well as giving Palestinians control over entry and exit from their territory for the first time since 1967.\(^{728}\) The conclusion of a US$50 million agreement with Israel on high-tech scanning equipment to be financed through USAID also reflected U.S. compliance with the Gleneagles commitment, since the technology would have contributed to the rebuilding of the economies in both Gaza and the West Bank by easing the movement of people and goods between Israel, the Palestinian territories.\(^{729}\)

In the wake of the Hamas election victory, the United States withdrew all aid from the Palestinian Authority. The Secretary of State also directed USAID to request the return of US$50 million of direct assistance to the PA.\(^{730}\) However, the US position has recently changed to focus on the great need in the Palestinian territories. At the May Quartet meeting, the U.S. acquiesced to a Quartet mechanism that would temporarily resume the flow of aid to the Palestinian Authority.\(^{731}\) At the same time, Secretary of State Rice announced that the US was prepared to extend US$10 million in emergency medical aid to the Palestinians through charities. The first portion of the assistance, US$4 million, was already underway in early May 2006.\(^{732}\)

**9. European Union: +1**

The European Union (EU) registered a high level of compliance with its commitment to Middle East reform. The EU continues to support the Palestinian people through financial assistance, security personnel and infrastructure-building even while standing firm in its demand that Hamas, the newly elected representatives of the Palestinian Authority, renounce the use of violence and recognize the state of Israel.

The European Commission has consistently implemented a program of financial aid to the Palestinians while simultaneously encouraging a long-term solution to the region’s crisis, highlighting the responsibility for reform on the part of both the Palestinian and Israeli

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\(^{731}\) Palestinians to get interim aid, BBC News Online, 9 May 2006.

governments. In April 2006, the High Commissioner for the Common Foreign and Security Policy, Javier Solana, reaffirmed the EU’s commitment to aiding the Palestinian people while stating that it could not channel financial aid through Hamas, which the EU considers to be a terrorist organization.\textsuperscript{733}

In line with its long-standing commitment to aiding the Palestinian people financially, the European Commission announced in April 2006 a €120 million contribution to meet the basic needs of the Palestinian people and to stabilize the financial situation of the caretaker government, recognizing the devastating impact that an economic collapse would have for the Palestinians.\textsuperscript{734} Of this contribution, €40 million were directed to the support of essential public services, while a further €64 million were allocated to the United Nations Relief and Works Agency (UNRWA) to support its efforts to relieve the challenges facing the most vulnerable people in the Palestinian Territories.\textsuperscript{735} The EU has also been at the forefront of efforts to establish a steady flow of aid to the Palestinian people despite the upheaval caused by the election of Hamas to the Palestinian Authority. In May 2006, the Middle East Quartet welcomed the offer of the EU to develop a temporary international mechanism through which financial assistance will be delivered directly to the Palestinian people in a transparent and accountable manner.\textsuperscript{736}

In addition to its commitment to balancing financial assistance to the Palestinian people with a firm demand for reform on the part of the Palestinian Authority, the EU has continued to support security and infrastructure-building in the Palestinian territories. Since the EU-monitored border crossing was established in Rafah in November 2005, nearly 200,000 people have safely crossed between Egypt and Gaza.\textsuperscript{737} The smooth monitoring and functioning of the border crossing at Rafah had previously been identified by Mr Wolfensohn as one of six issues which could “make or break” the peace process.\textsuperscript{738} Furthermore, pending reform on the part of the PA, the European Council has reaffirmed the EU’s commitment through financial and training mechanisms to


strengthening the institutional fabric of the PA, recognizing the importance of a strong government to the creation of a viable, democratic Palestinian state.739

Analyst: Marie-Adele Cassola

Debt Relief: Iraq

Commitment:

“We reaffirm our intention to reduce Iraq’s debt by implementing the terms of the November 2004 Paris Club agreement. We call on other creditors to provide debt relief on generous terms comparable to or even better than those agreed by the members of the Paris Club in November 2004”

-Iraq 740

Background:

As of December 2004, debt accumulated by Iraq’s Saddam Hussein and owed mostly to Gulf States, Paris Club countries and commercial lenders was estimated at US$120 billion. With reconstruction efforts underway in Iraq following the US invasion, the massive debt burden would hamper both economic and social progress in Iraq. The Bush administration in the US, in particular, has led the effort to relieve Iraq’s debt and appointed former US Secretary of State James A. Baker III special presidential envoy to coordinate debtors and negotiate this issue among creditors. 741

The Paris Club is an informal group of 18 countries that meets monthly in Paris, France to collectively reduce or reschedule official debts they are owed by debtor nations. During a meeting held from 17 to 21 November 2004, Paris Club countries negotiated a 3 stage plan to reduce debt owed by Iraq by 80%. 742 This was a major accomplishment on the part of the US, since the Paris Club countries were initially only willing to cancel 50% of Iraq’s debt. The first stage involved the immediate cancellation of 30% of debt owed by Iraq to each Paris Club country. The second stage involves the implementation of an International Monetary Fund (IMF) program, following which another 30% was to be cancelled. The remaining 20% of the initial stock would be forgiven upon completion of the last IMF Board review of three years of implementation of standard IMF programs. 743

G8 members, all of which belong to the Paris Club, are owed nearly US$40 billion of Iraq’s debt. At the Gleneagles Summit in June 2005, the G8 leaders reaffirmed their support of the Paris Club agreement to reduce Iraq’s debt by at least 80% to aid in the rebuilding of Iraq and to encourage non-Paris Club Gulf States, to which most of Iraq’s debt is owed, to also cancel Iraq’s indebtedness to them.

Team Leader: Barbara Tassa

Assessment:

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Canada
France
Germany
Italy
Japan
Russia
United Kingdom
United States
European Union
Overall

Individual Country Compliance Breakdown:

1. Canada: 0

The Canadian government registered full compliance with the Gleneagles commitment to Iraqi debt relief by signing a bilateral agreement on June 20, 2005, that forgives 80% of the debt owed to Iraq, amounting to $470 million. Canada’s Iraqi debt reduction strategy will take place in three phases: $175 immediately, $175 effective upon Iraq’s signing of a formal International Monetary Fund (IMF) stand-by arrangement, and a final installment of $120 million upon completion of the IMF stand-by arrangement.

In addition, the Canadian government supports a G8 led international debt-reduction program for Iraq. Canada has worked towards progress in this area as evidenced by its ongoing commitment to reconstruction endeavours presently underway in Iraq. The Canadian International Development Agency (CIDA) has contributed CAD$300 million to the International Reconstruction Fund Facility (IRFF) which is chaired by Canadian Ambassador Michael Bell. The participation of the Canadian government in the Iraqi crisis is within the context of a multilateral endeavour. The debt relief commitment is in fact a concerted pledge by the Paris Club on a shared burden basis. It is further contingent upon Iraq’s other creditors granting similar or indeed more generous concessions of debt relief. Therefore, the Paris Club agreement may be enacted en masse to coincide with the formalization of debt relief by Gulf states, Iraq’s largest creditors, as well as other nations.

Analyst: Kathryn Kotris

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2. France: +1

The French government showed progress towards cancelling nearly all US$5.6 billion owed it by Iraq. On 21 December 2005, Paris signed a bilateral agreement with Mawafak Abboud, Iraqi Ambassador to France, agreeing to set the conditions for cancelling 80% of Iraq’s debt in accordance with the Paris Club agreement. In December 2005, the French Ministry of Foreign Affairs noted that France will cancel about €4 billion over the period from 2005 to 2008. Therefore, France reports a high level of support for the G8 debt relief commitment to Iraq.

Analyst: Barbara Tassa

3. Germany: +1

On December 28, 2005, Germany announced the signing of a bilateral agreement to cancel Iraq’s debt in accordance with its compliance with the Paris Club debt cancellation program. Like France, Germany had announced its commitment to reducing Iraq’s debt burden by an unspecified amount in December 2003, and followed through on that earlier commitment with this bilateral Paris Club announcement. This move followed statements by German Ex-Chancellor Gerhard Schroeder to the effect that Germany’s reduction of Iraqi debt would be “substantial.”

Analyst: Attila Kovacs

4. Italy: +1

Italy achieved full compliance with the 2005 Gleneagles Summit commitment to reducing Iraq’s debt by implementing the terms of the November 2004 Paris Club accord. The bilateral debt cancellation agreement between Italy and Iraq was signed on 5 October 2005, which will be implemented in three stages culminating in the write off of 80% or the equivalent of €2.4 billion

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of Italy’s claims against Iraq.\textsuperscript{754} Italy was the third Paris Club country to fully comply with the Iraq debt relief commitment.\textsuperscript{755}

Analyst: Claire Chow

5. Japan: +1

Japan registered a high level of compliance with the G8 commitment for Iraqi debt relief. The Japanese government announced that it had reached a bilateral debt reduction agreement with Iraq on 24 November 2005. The government of Japan provided a schedule for an 80% reduction of the debts owed to them by Iraq.\textsuperscript{756} This agreement satisfies the guidelines set by the Paris Club group of nations in November 2004 to reduce Iraq’s debt. The current US$6.9 billion owed to Japan by Iraq will be reduced to US$1.7 billion by the end of the 23 year term.\textsuperscript{757}

Analyst: Barbara Tassa

6. Russia: 0

In May 2006, Russia had still not fully complied with its commitment to work towards relieving Iraq’s debt. Although Russia did sign the November 2004 Paris Club agreements,\textsuperscript{758} it has not taken concrete steps to fulfill the goals set by the Paris Club. Russian Finance Minister Alexei Kudrin suggested that a stumbling block has been a continued dispute over the size of the debt owed to Russia by Iraq.\textsuperscript{759} Additional sources cited pending IMF agreements as the barrier to a Russian debt reduction agreement, as the Paris Club agreement was contingent upon such an IMF-Iraq agreement.\textsuperscript{760} This agreement was reached on 23 December 2005 and should have generated prompt action.\textsuperscript{761} The Russian government is expected to relieve Iraq of 90% of the US$10.5 billion debt owed it but has yet to sign an agreement with Iraq to that effect.

Analyst: Barbara Tassa

7. United Kingdom: +1

The United Kingdom is in full compliance with the Paris Club agreement of 21 November 2004 and thus its Gleneagles commitment to Iraqi debt relief. The initial stage of the three part debt reduction strategy was implemented with a bilateral agreement between Iraq and the United Kingdom was signed on 25 January 2005. The International Monetary Fund (IMF) provided an important condition for the collective action of all Iraqi creditors to move forward and officially comply with the second stage of the Paris Club agreement. Due to improved fiscal management by the Interim Iraqi Government, on 23 December 2005 the IMF approved a Stand-By Arrangement credit facility of up to US$685 million which will serve to support the country’s economic rehabilitation over the next 15 months. Upon completion of the final stage of the Paris Club agreement, the United Kingdom will forgive US$1.39 billion in debt to Iraq.

Analyst: Kathryn Kotris

8. United States: +1

Having already announced 100% debt relief of over US$4 billion owed by Iraq in December 2004, the US has been instrumental in negotiating debt relief from Paris Club and other creditors since the G8 Summit in June 2005.762 In December 2005, the IMF announced a loan worth US$685 million in the Stand-By Arrangement for Iraq, which is intended to facilitate the second stage of debt reduction negotiated among the Paris Club creditors.763 While this action was not financed by the US government, their ongoing involvement in achieving debt relief for Iraq and by encouraging Paris Club, commercial and other creditors to cancel Iraq’s debt have been crucial steps in its efforts to fulfill its Gleneagles commitment.

Analyst: Attila Kovacs

9. European Union: n/a

The European Union (EU) has not been graded for its compliance with the 2005 Gleneagles Summit commitment to debt relief for Iraq. As a multilateral institution, the EU does not have the ability to register compliance with this G8 commitment on behalf of its member states. However, the EU did reaffirm the need to reduce Iraq’s debt through its General Affairs and External Relations council meeting on 18 July 2005. Furthermore, many member states of the EU have already registered full compliance with debt relief for Iraq.

By the end of 2005, six member states of the EU including Austria, Belgium, Denmark, Malta, Slovakia, and Spain had all independently signed bilateral agreements with Iraq to provide debt relief on terms comparable to, if not better, than those of the Paris Club agreement.

763 IMF Executive Board Approves First Ever Stand-By Arrangement for Iraq, International Monetary Fund Press
In early 2006, four more EU countries signed bilateral debt cancellation agreements with Iraq. These include the three Paris Club members Finland, the Netherlands and Sweden, and the non-Paris Club country, Hungary. Moreover, four other EU member states — the Czech Republic, Cyprus, Greece, and Poland — have undergone discussions with Iraq regarding debt cancellation.

Even though the EU, as an institution, is not in a position to implement the Gleneagles commitment of Iraqi debt relief made at the 2005 Gleneagles Summit, the efforts shown by its member states have been positive, as fourteen EU countries have already signed or are in the process of signing bilateral debt reduction agreements with Iraq.

Analyst: Claire Chow

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Sudan

Commitment:

“We commend and will continue to support the African Union’s Mission in Sudan (Darfur), just as we are contributing to UNMIS’s operation in southern Sudan.”

-Statement by the G8 and African Union on Sudan

Background:

Propelled by the crisis in Darfur, Sudan first appeared on the G8’s agenda at the 2004 Sea Island Summit. Approximately 2.4 million people have been displaced by the Darfur crisis, and the death toll is estimated at 300,000, though numbers vary. A joint statement with the African Union (AU) renewed the G8’s focus on Sudan at the 2005 Gleneagles Summit. The statement expressed a renewed commitment to see an end to the Darfur conflict and to support the work of the African Union Mission in Sudan (AMIS) and the United Nations Mission in Sudan (UNMIS).

AMIS was established in February 2004 to monitor a ceasefire between the Sudanese government and two Darfur rebel groups, the Justice and Equality Movement and the Sudanese Liberation Army (SLM). Its mandate has grown to include providing security for humanitarian aid delivery and facilitating the return of refugees and internally displaced persons (IDPs). UNMIS was established in March 2005 to support the implementation of the Comprehensive Peace Agreement (CPA) between the Sudanese government and the Sudan People’s Liberation Movement/Army. The CPA, signed in January 2005, ended a twenty-one year civil war between the two sides that caused an estimated 1.5 million deaths. Beyond the CPA, UNMIS is mandated to facilitate the delivery of humanitarian aid and the return of refugees and IDPs.

On 5 May 2006, the Sudanese government and Darfur’s largest rebel group, the Sudan Liberation Movement (SLM), signed the Darfur Peace Agreement. Efforts continue to convince other rebel groups, namely the Justice and Equality Movement (JEM) and the Abdel Wahid-led faction of the SLM, to sign on. The agreement is multifaceted and contains provisions for power and wealth sharing and security arrangements. In the immediate term, responsibility for enforcing the agreement falls to AMIS. However, on 10 March 2006, responding to widespread criticisms of ineffectiveness, the AU decided to support the transition of AMIS into a UN peacekeeping operation “at the earliest possible time.” UN Security Council Resolution 1679, passed unanimously on 16 May 2006, called on the parties to the Darfur Peace Agreement to accept AMIS’ transition into a UN force. As of late-May, Khartoum had not yet agreed; however, it agreed to a joint UN-AU team to travel to Sudan and lay the groundwork for a potential transition.

Team Leader: Mike Varey

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**Assessment:**

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**Individual Country Compliance Breakdown:**

1. **Canada: +1**

As noted in previous G8 Research Group compliance reports, Canada’s efforts to address the crisis in Sudan have ranged from millions in humanitarian assistance to the chartering of helicopters in support of the AU mission in Darfur, and the deployment of civilian police with UNMIS.\(^{767}\) The Darfur Peace Agreement, signed on 5 May 2006, and the likely transformation of the AU mission into a UN operation raises new opportunities for contribution. Canada, which currently is the fourth-largest financial contributor to the AU force, has pledged to continue to support the AU mission as this processes unfolds.\(^{768}\) Permanent Representative to the UN Allan Rock travelled to Abuja to pressure the negotiating parties into successfully concluding the DPA. Upon the signing of the agreement, Rock stated that Canada will assist the region’s transition by contributing experts in the area of democratic elections and humanitarian needs assessment.\(^{769}\)

There has been much speculation, however, that Canada’s military commitment to Afghanistan, which was recently extended by two years, will circumscribe the extent to which Canada can contribute to a future UN mission in Darfur.\(^{770}\) Canadian Defence Minister Gordon O’Connor has told a Senate committee that Canada is stretched too thin to send troops.\(^{771}\) Since such an operation will require large numbers of well-trained and well-equipped military personnel,

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Canada’s exclusion will make the process of assembling the necessary force-level that much more difficult.

Analyst: Andrew Harder

2. France: +1

The French government registered a high level of compliance with Gleneagles’ Sudan commitment through logistical, financial, and public support of the African Union Mission in Sudan (AMIS).

In mid-August 2005, France transported 104 civilian police officers from Nigeria to Sudan. The airlift was part of a NATO-led effort to provide AMIS with logistical support. On 29 July 2005, French Foreign Minister Philippe Douglas-Blazy announced that Paris would donate €3.5 million to AMIS’ peacekeeping forces. Further, in January 2006, France announced an additional US$1 million in assistance to AMIS to cover the Mission’s operational expenses. The money was part of an international effort to compensate for AMIS’ predicted 2006 budget shortfall. France’s financial support to AMIS is also felt in the overall bilateral aid allocated to the crisis in Sudan through an increased contribution from €35 to €55 million over three years, as announced by the Minister Delegate for Cooperation, Development and Francophonie on 9 March 2006.

Finally, France applauded the AU’s 10 March 2006 decision to support the transition of AMIS to a UN peacekeeping force. Addressing the UN Security Council on 9 May 2006, Mr. Douste-Blazy noted Paris’s plans to take action in order to “accelerate preparations for [the] transition”. The Foreign Minister further expressed France’s recognition of the “essential role” played by AMIS at the Abuja peace talks, which led to the Darfur Peace Agreement. France also supported Security Council Resolution 1679, which passed unanimously on 16 May 2006 and called for renewed support to AMIS and its transition to a UN peacekeeping force.

Analyst: Ioana Hancas

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3. Germany: +1

Germany registered a satisfactory level of compliance with Gleneagles’ Sudan commitments through financial and vocal support for the African Union Mission in Sudan (AMIS) and the United Nations Mission in Sudan (UNMIS). On 3 December 2005, the German parliament approved a cabinet decision of 29 November 2005 to extend support to AMIS for another six months. That support consists of logistical flights, which began on 16 December 2004. Addressing the 60th Session of the United Nations General Assembly on 20 September 2005, Dr. Klaus Scharioth, State Secretary of the Foreign Office, highlighted the positive work of both UNMIS and AMIS and called for a greater international commitment to Sudan.

On 9 March 2006, following a meeting with AU president Alpha Oumar Konaré, German Chancellor Angela Merkel praised the AU’s “very significant” contribution in Darfur and added that the EU would be willing to get involved with the political process in Sudan if requested. Also in March, the German Federal Cabinet decided to continue to participate in UNMIS, where up to 75 German military observers and staff officers have been deployed since April 2005. Similarly, in mid-May 2006, Germany extended the mandate of its military airlift forces, which assist AMIS, through to 2 December 2006. The operation includes up to 200 German troops.

Analyst: Mike Varey

4. Italy: +1

Italy registered a satisfactory level of compliance with Gleneagles’ Sudan commitments through a material contribution to the United Nations Mission in Sudan (UNMIS) and vocal support of the African Union Mission in Sudan (AMIS). In December 2005, the Italian Embassy in Sudan supplied 40 metric tones of non-food aid to UNMIS for distribution to internally displaced persons. Also of note, Rome’s battalion of 220 soldiers with UNMIS was due to leave in late-December 2005 after successfully completing their mission in Khartoum guarding UNMIS headquarters. They are to be replaced by a contingent of Rwandan troops. Finally, Rome expressed strong support for AMIS in a press release on 6 May 2006. The Italian Ministry of

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Foreign Affairs noted Italy’s intention to work with the African Union towards the implementation of the Darfur Peace Agreement, signed in Abuja on 5 May 2006.\textsuperscript{785}

Analyst: Ioana Hancas

5. Japan: +1

Japan registered a high level of compliance with Gleneagles’ Sudan commitments through material and financial support for the African Union Mission in Sudan (AMIS) and the United Nations Mission in Sudan (UNMIS). On 19 October 2005, Tokyo donated 27 four-wheeled vehicles, 60 landmine detection devices, and 20 large tents to UNMIS.\textsuperscript{786} The donation was announced on 29 July 2005, and the equipment will be used by UNMIS’ African troops. On 25 October 2005, Japan extended roughly US$2.8 million to the Japanese Trust Fund for Human Security for a project titled Capacity Building for African Union Troops in Darfur.\textsuperscript{787} Among other things, the project provides international humanitarian and human rights law training to AMIS troops currently deployed in Darfur. In early May 2006, following a visit to African Union headquarters, Japanese Prime Minister Junichiro Koizumi announced further assistance to AMIS totalling roughly US$8.7 million.\textsuperscript{788} The assistance, an “emergency grant aid,” was made official by the Japanese government on May 16 and will be used for public information operations and humanitarian assistance conducted by AMIS, among other things.\textsuperscript{789}

Also of note, Tokyo announced its support of AMIS’ transition to a UN peacekeeping force. On 9 May 2006, Yasuhisa Shiozaki, Japan’s Senior Vice-Minister of Foreign Affairs, noted that Japan “greatly appreciates” AMIS’ efforts in addressing the situation in Darfur. He called for AMIS to be strengthened in order to improve the security situation. To this end, he noted that Japan supported the transition of AMIS into a UN peacekeeping operation and pledged Japanese support.\textsuperscript{790}

Analyst: Mike Varey

6. Russia: 0

Since the signing of the Darfur Peace Agreement on 5 May 2006, Russia has pledged to “give every support to further efforts for a political settlement in Darfur as a factor of strengthening the unity and territorial integrity of Sudan, and stability and security in the region.” Russia has sent

military observers and civilian police officers, and has pledged to deploy a helicopter group, in support of UNMIS.\textsuperscript{791}

The Russian discomfort with a harsh line toward the Khartoum Government noted in previous G8 Research Group compliance reports remains in evidence. Along with China and Qatar, Russia abstained on the 25 April Security Council Resolution (SC RES 1672) imposing targeted sanctions on four individuals accused of human rights violations in Darfur.\textsuperscript{792} Foreign Minister Lavrov labelled Sudan “a very promising partner of Russia,” and recently noted that UNSC Resolution 1679 on the possible transformation of the African Union mission in Darfur into a UN peacekeeping operation reflects the Russian position that any transformation be done “in close consultation” with the Government of Sudan.\textsuperscript{793} The Foreign Ministry has declared that “an obligatory condition of the establishment of a UN peacekeeping presence in Darfur has to be having the Sudan government's agreement.”\textsuperscript{794} Furthermore, Russia hastened to insist that the mention of Chapter VII in 1679 “does not alter the character of the existing UNSC decisions regarding Sudan and does not predetermine the mandate of a future UN peacekeeping presence in Darfur.”\textsuperscript{795} In fairness, there is little appetite among the G8 for a UN mission that does not have the permission of the Sudanese authorities, and the UN itself is paying close attention to the relationship between a potential UN force and Khartoum.\textsuperscript{796}

Despite using the threat of a veto to water down past resolutions on Sudan, Russia nevertheless joined with the rest of the Council in support of 1679, the basis upon which the international community will proceed in its efforts to address security in the region.

Analyst: Andrew Harder

\begin{itemize}
7. United Kingdom: +1

Britain registered a high level of compliance with Gleneagles’ Sudan commitments through its continued support of the African Union mission in Sudan (AMIS) and the United Nations mission in Sudan (UNMIS).

In the most recent pre-budget report, filed 5 December 2005, HM Treasury stated that the Government will continue its financial support of African led peacekeeping operations. On 20 September 2005, Armed Forces Minister Adam Ingram announced an extra £200,000 to be allocated to assist in the training of over 17,000 Nigerian troops. A large contingent of Nigerians currently serves with AMIS, and there is a strong likelihood that many of the troops in question will also serve with AMIS.

London also gave AMIS strong vocal support. In a February 2006 speech in Abuja, UK Foreign Secretary Mr. Jack Straw paid tribute to AMIS, noting that it does an “excellent job under very difficult circumstances” and that the UK will continue to support AMIS “to the hilt.” Similarly, on 5 January 2006, London’s United Nations envoy, Mr. Emyr Jones Parry, reiterated the British government’s support for AMIS and called on the world community to increase their involvement in Darfur.

Finally, the UK supported Security Council Resolution 1679, which passed unanimously on 16 May 2006 and called for renewed support to AMIS and its transition to a UN peacekeeping force. Speaking on the occasion, the Foreign and Commonwealth Minister for Africa, Lord Triesman of Tottenham, spoke of the need to accelerate the transition to a UN force and noted London’s total to date contribution to AMIS of over £52 million. He further noted that Britain will continue to press Khartoum to drop its objections and accept a UN peacekeeping force.

Analyzer: Mark Lavery

8. United States: +1

The United States registered a high level of compliance with Gleneagles’ Sudan commitments through material and vocal support of the African Union mission in Sudan (AMIS) and the United Nations Mission in Sudan (UNMIS).

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On 17 July 2005, the United States began transporting 1800 Rwandan soldiers to Darfur. The airlift was part of a NATO-led effort to provide logistical support to African Union troops. The Department of Defense allotted US$6 million to assist the project. In October 2005, the Office of Transition Initiatives’ Sudan Program, an arm of the United States Agency for International Development, helped to organize a series of meetings between Sudanese citizens and representatives of UNMIS. The meetings aimed to increase accountability among UNMIS personnel and community leaders and to encourage continued collaboration between peacekeepers and the community. USAID’s Office of Transition Initiatives provides short-term aid to countries undergoing a transition from violence to peace or from authoritarianism to democracy. To date, Washington has donated roughly US$220 million to AMIS and over US$200 million to UNMIS.

On 6 April 2006, the U.S. House of Representatives passed the Darfur Peace and Accountability Act, which called on the United States to assist in measures to strengthen and expand AMIS. To this end, Washington has been influential in forwarding the transition of AMIS to a UN peacekeeping force. At a Security Council meeting on 9 May 2006, the United States circulated a draft resolution that aimed to accelerate planning and assistance for the transition and called on the parties to the Darfur Peace Agreement to accept a UN peacekeeping force in the region. The resolution, unanimously passed as Resolution 1679 on 16 May 2006, also called for expanding UNMIS’ mandate to support the implementation of the new peace agreement. On 9 May 2006, US Secretary of State Condoleezza Rice noted that while AMIS had done “an excellent job,” its work had expanded and the AU had requested a new mission. She continued to say that resolution 1679 would “make certain” that the US and the Security Council are ready to honour the AU’s request.

Analyst: Mike Varey

9. European Union: +1

The European Union (EU) registered a high level of compliance with Gleneagles’ Sudan commitments through financial and public support of the African Union Mission in Sudan (AMIS) and the United Nations Mission in Sudan (UNMIS). On 18 July 2005, the Council of the European Union adopted a plan to provide AMIS with civilian and military aid. The military component included the provision of planning and technical assistance to all levels of AMIS’...

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command structure and the training of African troops and observers. The civilian component included the provision of senior EU police advisers and the training of local police officers. In December 2006, the EU and the African Union signed a Contribution Agreement to provide AMIS with an additional €70 million to cover operational costs.\textsuperscript{808} The funds were mobilized through the EU’s African Peace Facility, which is aimed at financing African peace support operations. In a press release on 12 December 2005, the Council of the European Union reiterated its support for both UNMIS and AMIS and encouraged member states to investigate ways to improve the latter’s efficiency.\textsuperscript{809} Finally, the EU voiced support for AMIS’ transition to a UN peacekeeping force. At a European Council meeting on 15 May 2006, the Council noted its willingness to contribute further financial support to AMIS, called for a strengthened mandate, and underlined its support for a transition to a UN force.\textsuperscript{810}

Analyst: Mark Lavery

Terrorism

Commitment:

“We have carried forward initiatives to prevent the spread of weapons of mass destruction to terrorists and other criminals, reinforce international political will to combat terrorism, secure radioactive sources and — as announced at Sea Island — ensure secure and facilitated travel. Today we commit ourselves to new joint efforts. We will work to improve the sharing of information on the movement of terrorists across international borders.”

-G8 Statement on Counter-Terrorism

Background:

At the 2003 G8 Summit, in Evian, the member states of the G8 committed to create a Counter-Terrorism Action Group (CTAG) to focus on building political will and capacity to fight global terrorism. At the 2004 G8 Summit, on Sea Island, the G8 continued to work to jointly combat terrorism, pledging to crack down on terrorist financing and take an active role in several non-proliferation initiatives. The commitment made by the G8 at the 2005 Gleneagles summit, to work together to share intelligence on the transnational movements of terrorists, represents a further continuation of the trend of multilateral efforts aimed at countering global terrorism.

Team Leader: Christopher Collins

Assessment:

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<th>Work in Progress 0</th>
<th>Full Compliance +1</th>
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<tr>
<td>Overall</td>
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</tr>
</tbody>
</table>

Individual Country Compliance Breakdown:

1. Canada: +1

Canada has complied with its Gleneagles summit commitment to improve the sharing of information on movements of terrorists crossing international borders.

Canada is an active member of the Counter Terrorism Action Group (CTAG), a working group made up of the G8 member states and several other countries that meets three times per year. As a member of CTAG, Canada works to, among other things, share information with other CTAG member states.\textsuperscript{813}

The Canadian Security and Intelligence Service (CSIS) is also publicly committed to sharing information about the movements of known or suspected terrorists. CSIS has officially stated that it believes “Sharing intelligence and cooperation, both at the national and international levels, is essential to effectively gauge current and future threats to the security of Canada and to analyze terrorist trends… CSIS works in close collaboration with Canada’s traditional allies and shares pertinent intelligence to counter the global threat of terrorism.”\textsuperscript{814}

In its 2005-2006 Report on Plans and Priorities, written for the Treasury Board of Canada and detailing plans for the upcoming year, Foreign Affairs Canada committed that “The department will … continue to work through other appropriate forums to further advance international efforts to combat terrorism, including in the G8 process, in the Counter-Terrorism Action Group (CTAG), in the APEC Counter-Terrorism Task Force (CTTF) and through the OAS Inter-American Counter-Terrorism Committee (CICTE).”\textsuperscript{815} The Department also committed to develop a security partnership within North America.\textsuperscript{816}

The Canadian Department of Foreign Affairs plans to spend CAD738 million on Global and Security Policy (which includes anti-terrorism intelligence sharing initiatives) in 2005-06, $695.6 million in 2006-07, and $704 million in 2007-08.\textsuperscript{817}

Recently, a six-month Royal Canadian Mounted Police counter-terrorism investigation led to the arrests of 17 people accused of plotting bombings in Ontario as well as at least 18 related arrests throughout Canada and internationally in the US, the UK, Denmark, Sweden, Bosnia and Bangladesh.\textsuperscript{818}

Analyst: Christopher Collins

2. France: +1

France has achieved a high level of compliance with the commitments made at the Gleneagles summit.

The French legislative agenda over the past year included several items that directly address the commitments made at Gleneagles. The French National Assembly passed The Law Pertaining to Transportation Security and Development on 22 December 2005. This legislation created the office of Minister of Aviation Security, and charged the minister’s office with implementing many of the SAFTI initiatives first agreed upon at Sea Island. The National Assembly also passed The Anti-Terrorism Law on 22 December 2005. This law gives law enforcement and intelligence services in France greater surveillance powers for suspected terrorists, airports, and on a 20-kilometre perimeter of French territory. French Minister of State Nicolas Sarkozy stated that the French government was respectful of both French and European human rights legislation when drafting and adopting The Anti-Terrorism Law.

On 17 November 2005, the French government held “France in the Face of Terrorism,” a one day event that brought together intelligence services, politicians, journalists, and civil society representatives for consultation on the government’s counter-terrorist initiatives. At this event, French Prime Minister Dominique de Villepin outlined many facets of the government’s counter terrorist initiatives, including constant “contact with the international intelligence community in order to exchange information.” On 14 September 2005, the French government signed the Agreement on the International Suppression of Nuclear Terrorism.

At a summit held in March 2006 in Heiligendamm, Germany, the Foreign Minister of France, along with those of Germany, Britain, Italy, Poland, and Spain, agreed to enhance the level of counter-terrorism co-operation between their respective states. The Ministers stated their countries “would share the task of analyzing Internet use by extremist groups, build joint support teams to assist a country in case of attack and start information visits at national counter-

terrorism centers.” As well, the Ministers said their respective countries would “systematically exchange information on suspects expelled from” their “countries for preaching racial or religious hatred.”

3. Germany: +1

Germany has complied with its commitment to improve the sharing of information on the movement of terrorists across international borders.

The Federal Foreign Office continues to bolster United Nations counter-terrorism efforts by signing the International Convention for the Suppression of Acts of Nuclear Terrorism on 15 September 2005. As a signatory to the Convention, the German government pledged its cooperation in preventing acts of terrorism that involved nuclear or radioactive material and to prosecute or extradite alleged offenders. In addition, the Federal Foreign Office actively promotes the conclusion of a Comprehensive Convention on International Terrorism, and is an active member of the Counter Terrorism Action Group (CTAG), a working group made up of the G8 member states and several other countries that meets three times per year.

On 30 November 2005, Federal Chancellor Angela Merkel also reaffirmed her government’s commitment to improve the sharing of information on terrorist movements during her first speech to the German Bundestag. She stated that the German government would use new technology to “ensure improved exchange of information by creating anti-terrorism databases.” At the Munich Conference on Security Policy on 5 February 2006, Federal Minister of Foreign Affairs Frank-Walter Steinmeier reiterated the importance of close cooperation among judicial and police authorities in the European Union, Russia, and the United States for the purposes of evaluating information and pursuing suspects.

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www.eubusiness.com/afp/060323142752.nw7y7ebs/view?searchterm=counter%20terrorism%20italy

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Furthermore, the Federal Government enhanced its collaborative partnerships on counter-terrorism. At the summit meeting of the Euro-Mediterranean Partnership or Barcelona Process on 27 and 28 November 2005, Germany endorsed the adoption of a comprehensive five-year work program and code of conduct for practical cooperation in counter-terrorism efforts between the European Union and its Mediterranean partners.\(^{831}\) On 19 April 2006, German Justice Minister Brigitte Zypries signed an agreement with the United States to ensure closer counter-terrorism cooperation that included measures to facilitate the tracing of bank account owners and allow investigators to hear video testimony.\(^{832}\)

At a summit held in March 2006 in Heiligendamm, Germany, the Foreign Minister of Germany, along with those of France, Britain, Italy, Poland, and Spain, agreed to enhance the level of counter-terrorism co-operation between their respective states. The Ministers stated their countries “would share the task of analyzing Internet use by extremist groups, build joint support teams to assist a country in case of attack and start information visits at national counter-terrorism centers.”\(^{833}\) As well, the Ministers said their respective countries would “systematically exchange information on suspects expelled from” their “countries for preaching racial or religious hatred.”\(^{834}\)

Analyst: Ashley Barnes

4. Italy: +1

Italy has complied with its Gleneagles summit commitment to improve the sharing of information on the movements of terrorists crossing international borders.

According to the Italian Ministry of Foreign Affairs, Italy believes that when it comes to international co-operation against terrorism, “the trend toward reinforcing intelligence capabilities must be underlined, both at national level and at that of international organizations.”\(^{835}\)

In July 2005 the upper house of the Italian Parliament passed a series of anti-terrorism laws, including measures to compile lists of mobile phone users to help police investigating suspected


terrorist crimes and generally strengthening measures to prevent terrorists from financing their operations.  

Also, Italy was present at the summit meeting of the Euro-Mediterranean Partnership on the 27 and 28 November 2005, at which the European Union and its southern Mediterranean partners confirmed the Euro-Mediterranean code of conduct on countering terrorism. As a part of this code of conduct, Italy and the other states declared they would “exchange information on a voluntary basis about terrorists and their support networks… and work bilaterally and […] to disrupt [those] networks.”

At a summit held in March 2006 in Heiligendamm, Germany, the Foreign Minister of Italy, along with those of Germany, Britain, France, Poland, and Spain, agreed to enhance the level of counter-terrorism co-operation between their respective states. The Ministers stated their countries “would share the task of analyzing Internet use by extremist groups, build joint support teams to assist a country in case of attack and start information visits at national counter-terrorism centers.” As well, the Ministers said their respective countries would “systematically exchange information on suspects expelled from” their “countries for preaching racial or religious hatred.”

Italy is also an active member of the Counter Terrorism Action Group (CTAG), a working group made up of the G8 member states and several other countries that meets three times per year.

5. Japan: +1

Japan has complied with its Gleneagles summit commitment to improve the sharing of information on the movements of terrorists crossing international borders.

On April 21, 2006 Japan extended the Basic Plan of the Anti-Terrorism Special Measures Law for another six months or until November 1, 2006, in order to continue supporting the international efforts to fight against terrorism by dispatching JMSDF vessels to the Indian Ocean for refueling operations. This extension enables the JMSDF vessels to continue the refueling activity until November 2006, and shows Japan’s commitment to actively participate in the global counterterrorism efforts.

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Also, on April 26, 2006 the ambassador of Japan, T. Ozawa, assured the United Nations of Japan’s commitment to combating international terrorism.\footnote{The Ministry of Foreign Affairs of Japan, Statement by the T. Ozawa Ambassador on Promotion of Justice and Combating International Terrorism, 26 April 2006. Accessed: May 15, 2006. www.mofa.go.jp/announce/speech/un2006/un0604-10.html.} As a member of the Security Council, Japan intends to contribute to counterterrorism and looks forward to achieving tangible results as early as possible.

Analyst: Elvira Omarbagaeva

\section*{6. Russia: +1}

Russia has complied with its Gleneagles summit commitment to improve the sharing of information on the movements of terrorists crossing international borders.

On March 23, 2006 an informal conference was held in Bogotá, Columbia, between experts from the Russian Federation and Rio Group focused on the issue of cooperation in fighting against terrorism.\footnote{Russian Ministry of Foreign Affairs, Informal Consultations of the Russian Experts and the Rio Group on Counterterrorism, 30 March 2006. Accessed: 13 May 2006. www.mid.ru/ns-rkonfl.nsf/8850205d7c032570432569e0003632cb1/432569e00034005fc3257108003213bd?OpenDocument.} During the VI regular session of the U.S. Committee on Counterterrorism, members agreed to regard, as a priority, the strengthening of the international legal system to prevent terrorism. In addition, participants examined perspectives on inter-regional cooperation in fighting terrorism, discussing the possibilities of developing contacts for exchange of information between the Russian Federation and the Rio Group. The Russian delegation also highlighted the contributions and possible future contributions FSU and Eurasian countries have made to counteract the legalization of proceeds from crime and terrorist financing.

On 13 March the VI sitting of Russian-British Working Group on Counterterrorism (created in 2001) took place in London. Russian MFA representative A.E. Safronov and British Ambassador E. Oakden discussed many issues surrounding international cooperation on counterterrorism. Special attention was paid to the promotion of counterterrorism in the G8, including the topic of providing assistance to major institutions such as the UN, EU, the OSCE, and NATO.\footnote{Russian Ministry of Foreign Affairs, The VI Session of Russian-British Working Group Against Terrorism, 15 March 2006. Accessed: 14 may 2006. www.mid.ru/ns-rkonfl.nsf/konfprest?OpenView&Start=1.} Delegations exchanged information and agreed to improve the work being done on antiterrorist laws. They also discussed upcoming changes to their legal systems. Furthermore, discussions were held on preventing the spread of terrorist ideology and propaganda, and promoting dialogue between cultures and civilizations in order to prevent the radicalization of behavior, especially among Muslims.

In addition, since 1996 Russia has been a member of the Shanghai Cooperation Organization (SCO).\footnote{Richard D. Fisher Jr. Puzzling War Games, Asian Wall Street Journal (New York), 22 August 2005, A.7.} Other members include: China, Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan, while Iran, Pakistan, and India are “observers.” Through this organization member states help to coordinate anti-terrorism efforts. As recently as August 2005, China and Russia participated in military manoeuvres in the “Peace Mission.” Likewise, Russia and ASEAN also jointly-declared
that they would “step up cooperation in the fight against terrorism and transnational organized crime.”

The Working Group members agreed to consider meeting more frequently, between sessions, in order to discuss terrorist financing. The next meeting on counterterrorism issue is scheduled to be in Moscow in mid 2006.

Analyst: Elvira Omarbagaeva

7. United Kingdom: +1

The British government has addressed the commitments made to prevent new generations of terrorists from emerging, and despite some setbacks, has worked to build international capacity to disrupt terrorists, and has thus registered full compliance to the commitments made at Gleneagles regarding terrorism.

The British government passed the Terrorism Act on 30 March 2006, which criminalized the glorification of terrorism and terrorist acts, the encouragement of and planning of terrorism, and the dissemination of terrorist publications. This legislation complimented the “Preventing Extremism Together” initiative undertaken by the Home Office in July 2005 that sought the cooperation of community leaders from across the United Kingdom to combat the dissemination of terrorist principles. The British government continued to fulfil its commitment to building international counter-terrorism capacity by contributing an instalment of the 20 million pounds committed to the Counter Terrorism Programme of the Global Opportunities Fund originally established by the Foreign Secretary in May 2003.

Also, at a summit held in March 2006 in Heiligendamm, Germany, the Foreign Minister of Britain, along with those of Germany, Italy, France, Poland, and Spain, agreed to enhance the level of counter-terrorism co-operation between their respective states. The Ministers stated their countries “would share the task of analyzing Internet use by extremist groups, build joint support teams to assist a country in case of attack and start information visits at national counter-terrorism centers.” As well, the Ministers said their respective countries would “systematically

845 Russia, ASEAN agree to cooperate in fight against terrorism, BBC Monitoring Asia Pacific (London), 13 December 2005.
exchange information on suspects expelled from their “countries for preaching racial or religious hatred.”

Despite an expansion of police powers to search vehicles on ships or other vessels entering the United Kingdom, the British Government has made only limited progress on addressing the restriction of terrorist mobility as outlined in the SAFTI initiative and reiterated in the Gleneagles commitment. An expansion of police search capabilities and terrorism legislation to beyond the borders of the United Kingdom was provided for in the Terrorism Bill that was defeated in British Parliament in late 2005, and the Terrorism Act, adopted in 2006, did not include major expansionary policing provisions. Further, Shadow Home Secretary David Davis of the Conservative Party has criticized the Terrorism Act’s provisions regarding the glorification of terrorism as “too broad,” and a threat to legitimate protest. This is an indication that the official opposition in British Parliament, as well as British civil liberty groups such as Liberty, are concerned the Terrorism Act is compromising a commitment to a proportionate response to terror made at Gleneagles.

Analyst: Jeff Claydon

8. United States: +1

The United States has complied with its Gleneagles summit commitment to improve the sharing of information on the movements of terrorists crossing international borders.

The United States is an active member of the Counter Terrorism Action Group (CTAG), a working group made up of the G8 member states and several other countries that meets three times per year.

According to the October 2005 edition of the National Security Strategy of the United States of America, published by the Office of the Director of National Intelligence, one of ten so-called “Enterprise Objectives” for the American intelligence community is to “Establish new and strengthen existing foreign intelligence relationships to help us meet global security challenges.”

Also in October 2005, the United States established the National Clandestine Service (NCS) within the Central Intelligence Agency. According to an official press release, the NCS will

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serve as the national authority for the integration, coordination, deconfliction, and evaluation of human intelligence operations across the entire Intelligence Community.\textsuperscript{856}

The 2006 National Security Strategy of the United States, released in March of 2006, reiterated the need to strengthen global partnerships and build multilateral partnerships to combat terrorism.\textsuperscript{857}

The United States has additionally undertaken a series of bilateral initiatives to work with partner-states to develop counter-terrorist capacity and crack down on terrorist financing.\textsuperscript{858}

Analyst: Christopher Collins

9. European Union: +1

The European Union has complied with its Gleneagles summit commitment to improve the sharing of information on the movements of terrorists across international borders.

The EU Counter-Terrorism Strategy unveiled on 30 November 2005 lists as key priority initiatives “to pursue and investigate terrorists across our borders and globally” while continuing to “support the efforts of Member States to disrupt terrorists by encouraging the exchange of information and intelligence between them.”\textsuperscript{859} As part of its Action Plan to combat terrorism, the EU has taken additional measures to improve cooperation among the intelligence services, national authorities and emergency services of member states to adequately assess terrorist threats.\textsuperscript{860} The European Borders Agency (Frontex) will also maintain centralized records and launch joint operations to counter the movement of suspected terrorists across internal and external borders.\textsuperscript{861}

All EU member states signed the UN Convention for the Suppression of Acts of Nuclear Terrorism on 14 September 2005.\textsuperscript{862} These states assumed obligations to cooperate in preventing

acts of terrorism that involved nuclear or radioactive material. The EU also continues to promote the adoption of a Comprehensive Convention on international terrorism.\textsuperscript{863}

In addition, the EU maintains a wide range of counter-terrorism partnerships. At the Euro-Mediterranean Summit in November 2005, the EU agreed to a five-year work program on counter-terrorism with its Mediterranean partners and declared that they would “exchange information on a voluntary basis about terrorists and their support networks.”\textsuperscript{864}

Finally, the European Union has established a high-level dialogue with the United States to address border security and terrorist financing. It continues to work with counterparts in Canada, Russia, India, and Pakistan to discuss counter-terrorism efforts.\textsuperscript{865} The European Counter-Terrorism Coordinator, Gijs de Vries also reiterated the need to strengthen crossborder cooperation at the Worldwide Security Conference on 21 and 23 February 2006.\textsuperscript{866}

The European Union is an active member of the Counter-Terrorism Action Group (CTAG), a working group made up of the G8 member states and several other countries that meets three times per year.

Analyst: Ashley Barnes


Non-proliferation

Commitment:

“We renew our pledge to raise up to $20 billion over ten years to 2012 for Global Partnership priorities, initially in Russia.”

-Gleneagles Statement on Non-Proliferation\textsuperscript{867}

Background:

The Global Partnership Program was launched at the 2002 G8 summit in Kananaskis, Alberta. The stated goal of the program was to address the proliferation threats posed by large, often poorly guarded, stocks of weapons of mass destruction, or the materials needed to develop those weapons, in Russia and the Former Soviet Union. Since its inception the primary objectives of the program have been: the destruction of existing chemical weapon stocks, the dismantlement of decommissioned nuclear submarines, securing nuclear and radiological sites, and the redirection and reemployment of former weapons scientists.

At the Kananaskis summit, G8 member states pledged to collectively raise US$20 billion over ten years to fund Global Partnership program initiatives. At the Gleneagles summit the G8 member states renewed their commitment to their 2002 pledge.

The financial commitments of each G8 member state to the Global Partnership break down as follows (all figures in June 2004 U.S. dollars):

<table>
<thead>
<tr>
<th>Country</th>
<th>Commitment</th>
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<tbody>
<tr>
<td>Canada</td>
<td>$743 million</td>
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<tr>
<td>France</td>
<td>$909 million</td>
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<tr>
<td>Germany</td>
<td>$1.5 billion (according to “Strengthening the Global Partnership,” Germany’s original pledge of €1.5 billion was changed to US$1.5 billion at the 2004 Sea Island Summit)</td>
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<td>Japan</td>
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<td>Russia</td>
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<td>United Kingdom</td>
<td>$750 million</td>
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<tr>
<td>United States</td>
<td>$10 billion</td>
</tr>
<tr>
<td>European Union</td>
<td>$1.21 billion</td>
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<tr>
<td>Non-G8 states</td>
<td>$1.5 billion</td>
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</table>

Team Leader: Christopher Collins

Assessment:

<table>
<thead>
<tr>
<th></th>
<th>Lack of Compliance</th>
<th>Work in Progress</th>
<th>Full Compliance</th>
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<td>-1</td>
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<tr>
<td>Overall</td>
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<td>0.100</td>
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</tbody>
</table>

Individual Country Compliance Breakdown:

1. Canada: +1

Canada complied with its 2005 Gleneagles summit commitments regarding non-proliferation and has been very active in all Global Partnership areas.

Since the 2005 Gleneagles Summit, the Canadian government has made considerable effort to comply with established G8 objectives regarding nuclear non-proliferation. Ottawa follows a three pronged approach to fight against the proliferation of weapons of mass destruction: motive (battling the intent to acquire or retain weapon mass destruction), access to equipment and material, and people as proliferators (providing alternative sources of employment to those formerly involved in weapon creation). This policy has been implemented in the past year with aid towards Russian nuclear submarine disarmament, cooperation with international pressure on North Korea and Iran against nuclear weapons development or use, and the participation in several international non-proliferation conferences and organizations.

The Canadian government is making progress toward the dismantlement and defuelling of 11 Russian victor class submarines and 1 Yankee Pod class general purpose submarine as part of a $120 million project to be completed in 2008.

Under Peter MacKay, Minister of Foreign Affairs and International Development, Canada, as part of its commitment to the Global Partnership, has continued to support the disarmament of Russian nuclear submarines, including the donation of CAD$25 million on 18 April 2006. On April 25, 2006, Minister MacKay announced an $8 million contribution to the shelter at the

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Chernobyl nuclear power plant in Ukraine.\textsuperscript{871} Canada’s efforts are part of a ten year plan to donate up to CAD$1 billion to the Global Partnership.\textsuperscript{872}

Analyst: Michelle Johnston

2. France: +1

France complied with its 2005 Gleneagles summit commitments regarding non-proliferation.

France's total commitment under the Global Partnership currently amounts to €200 million out of the promised €750 million, from which almost €21 million was directed towards special projects and €40 million to the fund set up by the European Commission and the European Bank for Reconstruction and Development to finance programs to dismantle decommissioned Russian nuclear submarines. In addition, France is involved in multilateral and bilateral programs directed towards strengthening international security in the nuclear, chemical, and biological sectors. Lastly, France is contributing to the international funds to finance the construction of the new sarcophagus for the Chernobyl nuclear power plant and rehabilitation of the Chernobyl site.\textsuperscript{873}

Furthermore, France united with the Russian Federation in a commitment to call on all States to comply with their NPT non-proliferation and IAEA safeguards obligations. Both countries unanimously support the UN Security Council Resolution 1540 Committee and emphasize the importance of the full implementation of that resolution by all UN members. They accentuate that a full compliance with the non-proliferation obligations is a necessary condition. Both countries made a commitment to cooperate to achieve various objectives, one of which is to research and develop safer, cost effective, and proliferation resistant nuclear energy systems.\textsuperscript{874}

Analyst: Ekaterina Mamontova

3. Germany: +1

Germany maintained a high level of compliance to the renewed commitment to non-proliferation made at the Gleneagles Summit.

Berlin continued to be “the only country willing to work with Russia unconditionally.”\textsuperscript{875} To date, Germany is assisting Russia with chemical weapons destruction, improving the physical

\textsuperscript{875} The Scourge with the Scent of Geraniums, Strengthening the Global Partnership, 16 March 2006.
protection of nuclear materials, and has continued to assist in the safe disposal of nuclear powered submarines.\textsuperscript{876} As of 13 January 2006, Germany has provided directly to Russia US$80.6 million of US$244.7 million promised by 2012.\textsuperscript{877}

Friedrich Groening, head of the German Foreign Ministry, recognizes the close ties between Russia and Germany, and has stated that Germany will continue to support Russia in the complete liquidation of chemical weapons.\textsuperscript{878} As of 21 March 2006, Germany has invested €160 million in the construction of a chemical weapons destruction plant in Kambarka (Udmurt Republic), which is capable of detoxifying 360 kg of lewisite per hour.\textsuperscript{879} This is the second successful cooperative project of this type, after the facility in Gorny.\textsuperscript{880} As of January 2006, due to primary support from Germany, Russia has been able to destroy 1,144.7 tons of chemical agents.\textsuperscript{881} By the end of 2009, 6,349 tons of bulk lewisite will be destroyed at the Kambarka facility with primary assistance from Germany.\textsuperscript{882} Germany also helped build a long-term storage facility for nuclear submarine reactor compartments in Sayda Bay, Murmansk region, as of April-May 2006, which is being supervised by the German Energiewerke Nord GmbH (EWN).\textsuperscript{883} In addition, Germany is considering support for another chemical weapons destruction facility in Leonidovka\textsuperscript{884} (Penza Region) which will start-up in 2008,\textsuperscript{885} at which time Berlin’s assistance is scheduled to come to an end.\textsuperscript{886}

Analyst: Vera Serdiuk
4. Italy: +1

The Italian government has complied with its Gleneagles Summit pledge to continue providing funds to support the Global Partnership Program.

In July 2005, the Russian news agency Interfax reported that Russian, Italian, and French officials were negotiating to develop a plan to dismantle the Russian heavy missile-carrying nuclear cruiser Admiral Ushakov. In 2004, the Italian government expressed its readiness to allot €60 million for that ship’s dismantling.

In the fall of 2005 Italy and the Russian Federation finalized a legislative framework that engages Italian companies with the dismantlement of decommissioned Russian nuclear powered submarines and surface ships, as well as transportation of nuclear waste and reclamation of lands tainted by said waste.

More broadly, Italy has committed to spend €360 million from 2004-2013 to dismantle decaying Russian nuclear submarines; the first submarine dismantling funded by Italy is scheduled to be completed in 2006. Rome has also committed to spend €365 million from 2004-2008 on chemical weapons destruction, and €80 million for the disposal of plutonium.

5. Japan: +1

Japan pledged to contribute US$200 million to the Global Partnership Program. One half of these funds has been allotted for plutonium disposal and the other allocated for nuclear submarine dismantlement.

Tokyo has complied with this pledge since the last summit, especially in the area of dismantling nuclear submarines. Japan’s commitments at the June 2005 conference dedicated to Global Partnership progress are evidence that Tokyo Japan has actively promoted its willingness to help Russia in elimination of nuclear submarines.

Analyst: Christopher Collins

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As a part of the promised commitment, Japan agreed in November 2005 to help Russia dismantle five nuclear submarines from the Pacific Fleet at the cost of US$5 to US$15 million per submarine.\textsuperscript{894} It should be noted that Japan is the only member of the Global Partnership that has taken a role in dismantling the submarines of Russia’s Pacific Fleet.\textsuperscript{895}

Analyst: Hitomi Roppongi

6. Russia: +1

Russia has fully complied with the renewed commitment to non-proliferation at the Gleneagles Summit Russia is doing what it can to meet the deadline by 2012 by bringing its share in the Global Partnership to $850 million,\textsuperscript{896} utilizing whatever funds the federal government can allocate plus the funds coming in from the Global Partnership donors, which are much lower, and not coming in on time as planned at Kananaskis in 2002.\textsuperscript{897} For example, two thirds of the Kambarka plant was paid for by Russia, at a cost of US$31 million dollars, and the rest was paid for by Germany.\textsuperscript{898}

As of 10 May 2006, Russia had only destroyed 3 per cent of its 40,000 metric ton chemical weapons stockpile.\textsuperscript{899} Moscow is now proceeding with the second phase of the plan, which is to scrap 20% of chemical weapons (8,000 tons) by 29 April 2006.\textsuperscript{900} However, as of late April, only 166 tons of lewisite was destroyed.\textsuperscript{901}

Other examples of international cooperation include the case of the Nerpa shipyard in Murmansk region, which will recycle the Lepse, a Russian ship used for spent nuclear fuel storage, at a cost of US$30 million dollars, financed by the European Commission.\textsuperscript{902} Russia itself allocated another US$6 million in 2006 for chemical weapons destruction within Russia, and by 2008, the Shchuchye chemical weapons destruction facility will be commissioned, with aid from Great...
On 16 March 2006, President Vladimir Putin reiterated the importance of the Global Partnership for non-proliferation for Russia and the upcoming St. Petersburg Summit.

At a St. Petersburg conference in March 2006, nuclear experts discussed the fact that within three to four years Northwest Russia will have no more room to store radioactive waste, and by that time there will be enough improperly stored radioactive waste to cause a disaster 30 times worse than Chernobyl. However, the federal government has neglected to earmark money for the construction of a proper storage facility.

A Russian Foreign Ministry spokesman acknowledged the importance of the G8 commitment at a meeting of the group of directors of the foreign ministries of the G8 states in Moscow in February. Prime Minister Mikhail Fradkov endorsed the statute of the Government Commission on Military Industry Problems on 12 May 2006, and one of its main objectives is to implement the agreements of non-proliferation within the framework of the G8 global partnership.

Russia does have eight federal programs that deal with issues related to non-proliferation. The programs include: the elimination of consequences of radiation accidents in Chernobyl and Semipalatinsk; the destruction of chemical weapon stocks, the industrial dismantlement of nuclear submarines, vessels with nuclear power installations, and ships of atomic technique support; and rehabilitation of coastal technique bases. The Russian Federation allocated close to US$900 million for these programs in their 2006 Budget, which was passed late December 2005.

However, Russia needs to do more to convince western states of the need to fund the Global Partnership. In the past, citing national security concerns, Russia has denied foreigners access to their nuclear weapon facilities, nuclear warhead storage facilities, and other projects. At the end of 2005, Russia had scrapped 133 of 197 nuclear submarines, and will scrap 18-19 nuclear submarines in 2006 with international cooperation.

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7. United Kingdom: +1

The UK government has been successful in following through with its commitment to the Global Partnership Programme.

In the third annual progress report dated 21 December 2005 United Kingdom’s Prime Minster, Tony Blair, announced the progress of The Global Partnership Program launched at the 2002 G8 summit in Kananaskis Alberta. The UK committed US$750 million to be spent over a ten year period.911

The program so far is being delivered in time and on budget. It is being managed by the Department of Trade and Industry (DTI), which is responsible for the nuclear elements, and the Ministry of Defence (MOD), responsible for the chemical and biological projects.912

During the 2005/2006 year a few projects have been completed while many others are efficiently being implemented. The achievements over the past year include the completion of the dismantlement of two Oscar I Class Nuclear Submarine and the effective progress towards the dismantlement of one Victor III class submarine.913

Major phases of £15 million storage facility for spent nuclear fuel (SNF), at the Atomflot site, have also been completed. The project is scheduled to be concluded Spring 2006. And a collaborative, £1.3 million engineering study to secure 20,000 spent nuclear fuel (SNF) assemblies at the former Russian -Navy of Andreeva Bay, has been implemented in partnership with Norway and Sweden.914

In addition, £210 million has been secured towards the Chernobyl Shelter, and a £4 million portfolio of projects implemented towards redirecting scientists onto non-weapons employment, a project considered to be fundamental in safeguarding knowledgeable and skilled nuclear weapons scientists from disseminating nuclear weapon development know-how.915

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www.dti.gov.uk/energy/environment/soviet-nuclear-legacy/

www.dti.gov.uk/energy/environment/soviet-nuclear-legacy/annual-report-english/page19047.html

www.dti.gov.uk/energy/environment/soviet-nuclear-legacy/annual-report-english/page19047.html

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www.dti.gov.uk/energy/environment/soviet-nuclear-legacy/annual-report-english/page19047.html
In its support of the Chemical Weapons Destruction agreement, established between US and Russian, on liability issues associated with plutonium disposition, the UK has contributed £12 million of its pledged budget to a the $500 million US led project of assisting Russia in closing its weapon-grade plutonium reactors. In addition the UK has collaborated with Canada in the development of projects for the support of the Shuchuch’ye Chemical Weapons Destruction Facility.  

The United Kingdom is currently the chairs the IAEA Contact Expert Group (CEG) dismantlement work in the NW region. The group focuses on Nuclear Spent Fuels and Submarines.

Analyst: Salma Saad

8. United States: +1

Washington pledged to commit US$10 billion, or approximately US$1 billion per year for 10 years, on the full range of non-proliferation activities occurring as part of the Partnership. Being the largest contributor to the Global Partnership Program, the United States has demonstrated compliance with its non-proliferation commitments since the Gleneagles summit.

Thus far, the US Congress has authorized a total of US$416 million for a Cooperative Threat Reduction program (CTR) in the former Soviet Union, US$153 million of which was authorized to fund disarmament and storage security of nuclear arms in Russia and US$30 million of which was dedicated to transportation security of nuclear weapons in the former Soviet Union.

As a part of a continuous effort by the Bush Administration, the United States also took an active role in the Proliferation Security Initiative (PSI), a global effort that aims to stop the trafficking of weapons of mass destruction between rogue states and non-state actors. Over 70 states now support PSI.

Analyst: Hitomi Roppongi

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www.dti.gov.uk/energy/environment/soviet-nuclear-legacy/annual-report-english/page19047.html
www.dti.gov.uk/energy/environment/soviet-nuclear-legacy/annual-report-english/page19047.html
www.sgpproject.org/publications/GPUpdates/April%202006%20Update.pdf.
9. European Union: +1

The European Union met its 2005 Gleneagles summit commitment to continue to support the Global Partnership Program.

In January 2006, the European Commission agreed to fund the dismantlement of the Lepse, a Russian ship used for storing spent nuclear fuel from nuclear powered icebreakers. This project has an estimated cost of US$30 million dollars.922 This has been marked as a priority under a plan to decommission decrepit Russian nuclear submarines commissioned by the European Bank for Reconstruction and Development.923

As well, the European Commission manages the TACIS program, which aims to promote nuclear safety in states of the former Soviet Union. Jobs for former military scientists and control of nuclear materials are both stated primary objectives of this program.924 The dismantlement of the Lepse is being carried out under the aegis of the TACIS program.925

The European Commission is currently in the process of revising the TACIS program, as its mandate is set to expire in 2006.926

Analyst: Christopher Collins

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Transnational Crime

Commitment:

We are deepening these efforts at home and abroad, with the aim of reducing substantially global trade in pirated and counterfeit goods, and efficiently combating the transnational networks that support it. In particular, we will take further concrete steps to:

“Improve co-ordination of anti-counterfeiting and anti-piracy crime strategies, and ensure closer co-operation among enforcement officials, including through shared risk analysis, exchange of best practice, enhanced existing cooperation at international borders, and between governments and the private sector;”

-Reducing IPR Piracy and Counterfeiting Through More Effective Enforcement927

Background:

At Gleneagles, G8 members emphasized the growing problem of pirated and counterfeit goods, particularly its link to the financing of organized crime. G8 states committed to “reducing IPR piracy and counterfeiting through more effective enforcement.”928 As part of the commitment it was understood that increased trade in pirated and counterfeit goods “threatens employment, innovation, economic growth, and health and safety of consumers in all parts of the world.”929 Accepting that piracy and counterfeiting are global problems, the G8 emphasized the importance of working together and with international organizations such as “the World Intellectual Property Organization, World Trade Organization, World Customs Organization, Interpol and other relevant organizations to combat piracy and counterfeiting more effectively.”930 Further, G8 members reiterated the need for cooperation between states to solve the problem of transnational crime as well as to provide a basis for education about the possible consequences of not fighting piracy and counterfeiting.931

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Assessment:

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Individual Country Compliance Breakdown:

1. Canada: +1

Canada fully complied with Gleneagles’ commitment to combat the trade in counterfeit and pirated goods by reiterating its support of anti-counterfeiting measures and taking international action to reduce intellectual property (IP) crime.

On 15 and 16 November 2005, Canada participated in the Seventeenth APEC Ministerial Meeting in Busan, Republic of Korea.\(^{932}\) The meeting’s joint statement reiterated support for APEC’s Anti-Counterfeiting and Piracy Initiative, adopted at the June 2005 APEC trade ministers meeting, and called on members “to take further steps that build on the APEC Anti-Counterfeiting and Piracy Initiative…in consultation with the private sector so as to reduce trade in counterfeit and pirated goods, curtail online piracy, and increase cooperation and capacity building in this area.”\(^{933}\)

Canada also took steps to reduce IP crime through international action. Since Gleneagles, federal law enforcement officials participated in a number of significant bilateral anti-counterfeiting operations, including the ‘Royal Charm’ and ‘Smoking Dragon’ efforts, which “represented a coordinated effort between federal, state and local law enforcement officials in the United States with the cooperation of the Royal Canadian Mounted Police.”\(^{934}\)

At the same time, it should be noted that Canada’s efforts have been criticized for not going far enough. Among others, the International Anti-Counterfeiting Coalition, an international private sector coalition representing the interests of companies concerned with product counterfeiting and copyright piracy, has criticized Ottawa for “inadequate coordination among enforcement bodies, poor cooperation among the authorities and industry in most regions, and gaps in relevant legislation”, all of which pose serious obstacles to “effective and deterrent enforcement in


Nevertheless, Canada’s participation in international IP enforcement measures and vocal support for existing international anti-counterfeiting schemes means that Canada complied fully with Gleneagles’ transnational crime commitment.

Analysts: Kevin Jarus and Mike Varey

2. France: +1

France fully complied with its Gleneagles transnational crime commitment through domestic efforts and participation in international meetings. In April 2006, the French national Anti-Counterfeiting Committee (NAC), in collaboration with various government agencies, launched a national publicity campaign to crackdown on counterfeiting activity in France. The campaign focuses on consumer awareness of the costs and risks related to buying counterfeit products.936

While no formal statements by the government of France on the issue were found, Paris hosted and attended a number of conferences that dealt with issues surrounding transnational crime: the Global Congress on Counterfeiting in Lyon on 14 November 2005937; a European Anti-Fraud Office (OLAF) seminar entitled “Fostering mutual trust between journalists and anti-fraud services in Europe”938, and the first939 and second940 sessions of the Conference of the Parties to the United Nations Convention against Transnational Organized Crime in September 2005 and October 2005, respectively.

The French government also hosted several gatherings of specialized agencies aimed at enhancing cooperation and coordination between countries and international organizations in their fight against counterfeiting and piracy. It facilitated a gathering of EU customs agencies from 7 to 9 December 2005, the goal of which was to create a single, common way to codify merchandise.941 Further, the Banque de France’s Institute Bancaire et Financier International

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held a seminar in Paris that invited “representatives of more than 30 central banks throughout the world … to discuss counterfeit currency concerns.”

Analyst: Raluca David

3. Germany: +1

Germany demonstrated compliance with its Gleneagles commitment by attending and organizing several meetings that discuss intellectual property (IP) piracy and counterfeiting. Germany, as a member of European Union (EU), was part of the creation of legislation against money laundering. At the International Monetary and Financial Committee of the International Monetary Fund, Joaquín Almunia, European Commissioner for Economic and Monetary Affairs, emphasized the European Council’s “3rd Money Laundering Directive and the Regulation on payer’s information accompanying funds’ transfers.”

Germany hosted the 74th session of the Interpol General Assembly, in Berlin from 19 to 22 September 2005, and the government of Germany adopted resolution 12 entitled “Information on Money Laundering.” The resolution emphasized the importance of establishing a unit that would be responsible for investigating economic crimes and processing the information via Interpol channels. Interpol had a follow-up meeting on 12 March 2006 to review currency counterfeiting. Germany also joined its G8 European Partners at the 4th ASEAN-European Meeting to discuss organized transnational crime from December 5th to 7th, 2005.

In addition, the EU was represented at the Second Global Congress on Combating Counterfeiting and Piracy, which was held on 14 and 15 November 2005, where it adopted the Lyon Declaration. The declaration reiterated the commitment made at the Gleneagles summit on reducing IP piracy and counterfeiting. The declaration clearly states that the participants “agreed that the promotion and protection of Intellectual Property is a key element of economic

development and agreed to enhance efforts to raise awareness and political will; improve cooperation and coordination among and between the public and private sectors; build national, regional and global capacity; and, promote more effective legislation and enforcement.⁹⁵¹ Therefore the German government can be seen to have taken steps towards fulfilling its Gleneagles transnational crime commitment through its status as an EU Member State.

Germany is also working with the Council of Europe to set up a convention on counterfeiting medicine.⁹⁵² As a member of the OECD, Germany is contributing to improving the factual understanding and awareness of infringement of intellectual property via the OECD’s “Prospects on Counterfeiting and Privacy.”⁹⁵³

Analysts: Kevin Jarus and Vanessa Corlazzoli

4. Italy: +1

Italy fully complied with its commitment to reduce intellectual property (IP) piracy and counterfeiting. In late December 2005, Rome jointly organized, with the World Intellectual Property Organization, an international symposium on intellectual property and the competitiveness of small and medium sized enterprises.⁹⁵⁴ Among other things, the symposium discussed how to effectively use international IP enforcement tools in the fashion industry.

However, most of Rome’s actions were accomplished through the European Union (EU) and Interpol. Italy is a member of Interpol and Italy’s law enforcement organization, la Guardia di Finanza, is a main member of the Interpol Intellectual Property Crime Action Group (IIPCA).⁹⁵⁵ Italy attended the Seventy-Fourth Session of the Interpol General Assembly, from 19 to 25 September 2005.⁹⁵⁶ There, it participated in the Interpol General Assembly meeting that adopted resolution 12 entitled “Information on Money Laundering.”⁹⁵⁷ Interpol members were encouraged to “Authorize Financial Intelligence Units or national agency responsible for

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⁹⁵³ OECD project on Counterfeiting and Piracy, OECD (Paris), Accessed: 3 June 2006. www.oecd.org/document/27/0,2340,en_2649_35650907_1_1_1_1,00.html.
investigating economic crimes to process information on significant cases via Interpol channels." The resolution was agreed to by all other G8 members.959

In September 2005, the European Commission adopted the “3rd Money Laundering Directive and the Regulation on payer’s information accompanying funds’ transfers.”960 Italy, as a member of the European Commission, was an integral part of this decision. In addition, the EU was represented at the Second Global Congress on Combating Counterfeiting and Piracy, held on 14 and 15 November 2005. There, it joined governments and other international organizations in adopting the Lyon Declaration. The declaration reiterated the commitment made at the Gleneagles summit to reducing IP piracy and counterfeiting.961 The declaration clearly states that the participants “agreed that the promotion and protection of Intellectual Property is a key element of economic development and agreed to enhance efforts to: raise awareness and political will; improve cooperation and coordination among and between the public and private sectors; build national, regional and global capacity; and, promote more effective legislation and enforcement.”962

Analysts: Francesca Mattacchione and Mike Varey

5. Japan: +1

Japan fully complied with Gleneagles’ commitment to improve anti-counterfeiting and piracy measures. In late March 2006, Tokyo’s Ministry of Economy, Trade, and Industry announced a new joint initiative with the U.S. Department of Commerce on intellectual property rights (IPR) protection and enforcement. Among other things, the initiative committed the two states to enhance information exchange on IPR enforcement and protection, share information on IPR actions taken with third countries, and to explore possibilities for cooperation with companies and industry associations in both countries.963

In mid-November 2005, at the Second Global Congress on Combating Counterfeiting and Piracy, Tokyo presented a proposal outlining a proposed treaty on the non-proliferation of counterfeited and pirated goods and the measures necessary to ensure such a treaty’s success.964

In addition, Japan showed considerable determination to enhance its partnership with the Association of Southeast Asian Nations (ASEAN) in the area of IP crime. In mid-November 2006, Japan participated in the Seventeenth APEC Ministerial Meeting in Busan, Republic of Korea. The meeting’s joint statement reiterated support for APEC’s Anti-Counterfeiting and Piracy Initiative, adopted at the June 2005 APEC trade ministers meeting, and called on members “to take further steps that build on the APEC Anti-Counterfeiting and Piracy Initiative...in consultation with the private sector so as to reduce trade in counterfeit and pirated goods, curtail online piracy, and increase cooperation and capacity building in this area.”

Further, in mid-December 2005 at the Ninth ASEAN-Japan Summit, an agreement to “intensify bilateral as well as multilateral cooperation between ASEAN and Japan to eradicate the threat posed by transnational crimes, piracy, human trafficking and drugs” was concluded. Japan committed to sharing its knowledge and resources in combating transnational crime with ASEAN, a positive initiative to reduce illicit global trade. On 7 October 2005, Malaysian ambassador to the UN Hamidon Ali, on behalf of ASEAN, noted that Japan has worked with ASEAN to “promote cooperation in combating transnational crime, both at the ministerial and senior official levels.”

It should also be noted that the Japanese government has not yet ratified the UN Convention on Transnational Crime.

Analysts: Lilianne Vicente and Mike Varey

6. Russia: +1

The government of the Russian Federation demonstrated compliance with its Gleneagles commitment on co-operation tackling intellectual property (IP) piracy and counterfeiting. Russia has participated in international conferences that dealt with the anti-piracy and anti-counterfeiting strategies. At the APEC meeting on 15 and 16 November 2005, the Russian government supported the adoption of the APEC Anti-Counterfeiting and Piracy Initiative adopted in June 2005 during the meeting of APEC Ministers Responsible for Trade. Furthermore, the Russian Federation along with other G8 members were cited for their progress

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In addition, the Russian Federation was represented at the Second Global Congress on Combating Counterfeiting and Piracy, which was held on 14 and 15 November 2005. There, it joined governments and other international organizations in adopting the Lyon Declaration.\footnote{Russian deputy premier says anti-piracy measures live up to WTO standards, BBC Monitoring Former Soviet Union, BBC (London), 9 March 2006.}

The Russian Federation has also taken important steps to address counterfeiting and piracy crime at home. Moscow's regional Economic Crime Police has been busy mounting raids and spot checks on illegal DVD plants. High level officials have been publicly discussing the issue and the importance of addressing it. First Deputy Prime Minister Dmitri Medvedev has been active in implementing copyright laws and chairing special commissions on the subject. In 3 February 2006, Russian President Putin stated that “protection of intellectual property remains an acute problem. Experts reckon that almost 70 per cent of video goods and almost 90 per cent of
software on the Russian market are pirated. Almost all the programs are pirated.” He also drew attention to the impact of counterfeiting medicines and housing construction frauds on Russia’s economy. He stated that the counterfeiting problem was “discrediting Russia as a reliable business partner.” He vowed to close legal loopholes and empower prosecutors to act accordingly. Recently, Russia also tabled legislation to change regulations related to scientific and technical results, trademarks, service marks, name or origin law, IPR and neighboring rights law, and regulation of rules of selling certain goods. Russia is also prepared to tackle piracy at sea and prevent trafficking of illegal goods in Russian territorial waterways.

Russia needs to work with its international partners to reduce illegal global trade. By implementing and standardizing national copyright legislation, Russia is one step closer to meeting the international standards necessary to become a member of the World Trade Organization.

Analysts: Anastasia Litchak and Vanessa Corlazzoli

7. United Kingdom: +1

The government of the United Kingdom demonstrated an adequate commitment to improving “co-ordination of anti-counterfeiting and anti-piracy crime strategies, and ensure closer co-operation among enforcement officials,” and has, therefore, fully complied with the Gleneagles pledge on co-operation tackling intellectual property (IP) piracy and counterfeiting.

Through the European Commission, the government of Britain was involved in the creation of legislation against money laundering. One of them is the September 2005 “3rd Money Laundering Directive and the Regulation on payer’s information accompanying funds.” These actions were made in co-operation with France, Germany, and Italy.

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983 Russia to fight piracy at sea in line with international treaties, BBC Monitoring Former Soviet Union, BBC (London), 20 January 2006.
British officials also attended the Seventy-Fourth Session of the Interpol General Assembly, held from 19 to 25 September 2005.988 There, they participated in the Interpol General Assembly meeting that adopted resolution 12 entitled “Information on Money Laundering.”989 Interpol members were encouraged to “Authorize Financial Intelligence Units or a national agency responsible for investigating economic crimes to process information on significant cases via Interpol channels.”990 This resolution was agreed to by all G8 members.991

In addition, the EU was represented at the Second Global Congress on Combating Counterfeiting and Piracy, which was held on 14 and 15 November 2005. There, it joined governments and other international organizations in adopting the Lyon Declaration.992 The declaration reiterated the commitment made at the Gleneagles summit on reducing IP piracy and counterfeiting.993 The declaration states that the participants “agreed that the promotion and protection of Intellectual Property is a key element of economic development and agreed to enhance efforts to: raise awareness and political will; improve cooperation and coordination among and between the public and private sectors; build national, regional and global capacity; and, promote more effective legislation and enforcement.”994

Moreover, on 1 April 2006, the UK Government created the Serious Organized Crime Agency (SOCA). SOCA’s mandate includes collaborating with partners in the UK and internationally to maximize efforts to reduce harm, and to provide a level of support to SOCA’s operational partners.995 These international efforts are to include agreements with partners on “comprehensive control strategies to address the range of organised crime threats”, and the “provision of information and advice to the private sector and others to enhance preventative measures and encourage target hardening.”996 SOCA, which brings together 4000 people from

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various UK enforcement agencies, has also attracted attention from enforcement agencies from other counties, which view the new agency as a model fighting organized crime.\textsuperscript{997}

Analysts: Anastasia Litchak and Aaron Raths

8. United States: +1

Due to its new domestic initiatives, and its bilateral and multilateral efforts to collaboratively combat intellectual property crime, the US is fully compliant with its Gleneagles commitment. Following the appointment by President Bush in July 2005 of Chris Israel to the post of International Intellectual Property Coordinator at the US Department of Commerce, the US increased its efforts to “improve co-ordination of anti-counterfeiting and anti-piracy crime strategies”\textsuperscript{998} at both the domestic and international levels. These include the “appointment of Intellectual Property Rights (IPR) Experts in key overseas countries including Brazil, China, India and Russia, a new Small Business Outreach program to educate U.S. small businesses on how to protect their intellectual property rights, and a Global Intellectual Property Academy that will provide training programs for foreign government officials on global IPR issues.”\textsuperscript{999}

One example of American efforts to engage in the exchange of information and closer co-operation among enforcement officials is the joint US-Chinese enforcement operation: Operation Ocean Crossing. This initiative disrupted an organization “engaged in the large-scale trafficking of counterfeit pharmaceuticals,” resulting in “numerous arrests in China and the United States and the capture of hundreds of thousands of fake pharmaceuticals.”\textsuperscript{1000} This collaboration included a trip by U.S. Attorney General Alberto Gonzales to China the week of 13 November 2005 to coordinate efforts with the Chinese government “to seek new effective ways of cooperation and coordination among the two countries’ law enforcement agencies on intellectual property crimes.”\textsuperscript{1001} Under-Secretary of State for Economic, Business and Cultural Affairs Josette Shiner, when referring to the G8 program to combat piracy and counterfeiting, also noted: “We are debating which mechanism would be the best and what agencies to involve.”\textsuperscript{1002}

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Additionally, US president George W. Bush and Brazilian president Luiz Inácio Lula da Silva announced on 6 November 2005 an agreement to “strengthen bilateral cooperation to combat the narcotics trade, trafficking in wildlife, terrorism, and money laundering, with an emphasis on information sharing between the two countries’ financial intelligence units.”\textsuperscript{1003}

The United States government also showed a desire to develop its partnership with the Association of Southeast Asian Nations (ASEAN) to strengthen maritime and border security, helping to reduce illicit trade.\textsuperscript{1004} In a 17 November 2005 joint statement,\textsuperscript{1005} ASEAN and the US indicated that the United States has an interest in expanding on the ASEAN-United States Joint Declaration for Cooperation to Combat International Terrorism, signed in 2002.\textsuperscript{1006} Furthermore, the United States participated at the Seventeenth Asia-Pacific Economic Corporation (APEC) Ministerial Meeting held in November, in which issues of anti-corruption and transparency were discussed.\textsuperscript{1007} Further, the United States ratified the United Nations Convention on Transnational Crime on 3 November 2005.\textsuperscript{1008} In support of the Convention, the United States provided US$816,500 to the UN Crime Prevention and Criminal Justice Fund.\textsuperscript{1009}

In addition, the United States government sent a delegation to the Second Global Congress on Combating Counterfeiting and Piracy, which was held on 14 and 15 November 2005. There, it joined governments and other international organizations in adopting the Lyon Declaration.\textsuperscript{1010} The declaration reiterated the commitment made at the Gleneagles summit on reducing IP piracy and counterfeiting.\textsuperscript{1011} The declaration states that the participants “agreed that the promotion and protection of Intellectual Property is a key element of economic development and agreed to enhance efforts to: raise awareness and political will; improve cooperation and coordination

among and between the public and private sectors; build national, regional and global capacity; and, promote more effective legislation and enforcement.”

Analysts: Lilianne Vicente and Aaron Raths

9. European Union: +1

The European Union fully complied with its transnational crime commitment made at the Gleneagles Summit. The EU kept its promise of “closer cooperation among enforcement officials…and between governments and the private sector.” It has achieved this by making “the Europol Information System […] available to authorised law enforcement staff in all 25 member States”. The system went online on 10 October 2005, less than a year after “[t]he decision of the final structure of the system […] was made by the Europol Management Board in December 2004”.

The EU was also a leader at a European Anti-Fraud Office (OLAF) seminar on 15 November 2005 entitled “Building mutual trust between anti-fraud services and journalists.” Both the European Commission’s Vice-President Siim Kallas, Commissioner in charge of anti-fraud policy, and his Head of Cabinet, Mr. Henrik Hololei, emphasized the importance of transparency for public institutions and reaffirmed Gleneagles’ transnational crime commitment. Mr. Kallas stated that “My main message here today is the importance of cooperation and coordination…with other services within the Commission and [with] all Non-State Actors. We need to strengthen cooperation with Member States, beneficiary countries and international financial organisations… I would like to encourage this cooperation, especially when it comes to risk analysis and sector specific patterns [of intellectual property crime].”

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Europol announced on 7 November 2005 that it had forged a significant cooperative link with the US Secret Service to combat transnational financial crime.\textsuperscript{1019} This was followed by a similar personal data sharing agreement announced on 24 November 2005 by Europol and the Royal Canadian Mounted Police.\textsuperscript{1020} The EU also attended the OLAF Conference on Fraud and Aid Funds in Brussels on 7 October 2005.\textsuperscript{1021} European Commission Vice President Kallas, described the purpose of the conference as “a[n] exchange of experience and a further strengthening of international co-operation” on issues related to fraud.\textsuperscript{1022} In addition, the EU was represented at the Second Global Congress on Combating Counterfeiting and Piracy, held on 14 and 15 November 2005. There, it joined governments and other international organizations in adopting the Lyon Declaration.\textsuperscript{1023} The declaration reiterated the Gleneagles commitment to combat IP piracy and counterfeiting.\textsuperscript{1024} The declaration states that the participants “agreed that the promotion and protection of Intellectual Property is a key element of economic development and agreed to enhance efforts to: raise awareness and political will; improve cooperation and coordination among and between the public and private sectors; build national, regional and global capacity; and, promote more effective legislation and enforcement.”\textsuperscript{1025}

Analyst: Raluca David

Renewable Energy

Commitment:

We resolved to take action to meet the challenges we face. The Gleneagles Plan of Action which we have agreed demonstrates our commitment. “We will take measures to develop markets for clean energy technologies, to increase their availability in developing countries, and to help vulnerable communities adapt to the impact of climate change.”

-Chairman’s Summary (final press conference)¹⁰²⁶

Background:

In the wake of rising oil prices, a growing demand of energy, and the need for sustainable development in the developing world, access to renewable energy is a key priority for all G8 member-states. These commitments dovetail with recognition to limit greenhouse gases (GHGs), of the negative impacts of climate change, and to adapt to new environmental realities. With the exception of the United States (US), these commitments also support the G8 member-states commitments to meet the targets of the Kyoto Protocol on Climate Change. The projected rise in the demand for energy in developing countries, particularly India and China, will make energy security one of the main issues on the agenda in July at the St. Petersburg G8 Summit in Russia.

Team Leader: Adam Sheikh

Assessment:

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**Individual Country Compliance Breakdown:**

1. Canada: +1

Canada has complied with their G8 renewable energy commitment by participating in several international meetings and conferences to promote the development of markets for clean energy technologies, their availability in developing countries, and helping vulnerable communities adapt to the impact of climate change. For instance, on 24 September 2005 Canadian

representatives participated in a meeting at the World Bank to launch an Investment Framework for clean energy and sustainable development. This framework convenes, among others, “senior representatives from regional development banks … and technology companies to explore practical solutions for achieving a less carbon intensive and more climate resilient development path” for developing countries. On 19 September former Environment Minister Stéphane Dion reaffirmed Canada’s commitment to develop “initiatives in renewable energy along with targeted programs and tax incentives for environmental technologies.”

In November 2005, former Environment Minister Dion attended the Beijing International Renewable Energy Conference. Here, Minister Dion outlined Canada’s leadership on renewable energy, stating that 60% of Canada’s electricity, which is 18% of its primary energy, comes from renewable sources.

From 24 November to 9 December 2005, Canada hosted the UN Climate Change Conference. The conference brought together parties of the UNFCCC and the Kyoto Protocol signatories, both of which seek to recognize the importance of the developed world to “encourage the participation of developing countries in global efforts to combat climate change.” The Conference adopted the Marrakech Accords stressing the importance of capacity building and “developing innovative technologies through public and private sector involvement.” At the conference, Canada also committed to a declaration encouraging signing parties “to consider issues related to the Arctic region’s… vulnerability and adaptation to climate change.” As a continuation of the Aboriginal and Northern Communities Action Plan, former Minister Dion also reaffirmed Canada’s support of “a targeted science and research program focused on …

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climate change impacts and adaptation, and the health and well-being of northern communities.”

On March 15-16 2006 Canada reaffirmed its G8 commitments by participating in a meeting of the G8 Energy Ministers in Moscow. This meeting underscored efforts “aimed at wider use of renewable and alternative energies, development and implementation of innovative energy technologies”, and acknowledged the importance of “a significant reduction of the gap in energy supply between developed and undersupplied less-developed countries” as an imperative to global energy security.  

Analyst: Katherine Kinley

2. France: +1

The French government fulfilled its G8 renewable energy commitments to develop markets for clean energy technologies. In August 2005 President Jacques Chirac called for a “loi-programme” authorizing the government to take measures which involve expenditures for research and development spanning several financial years.  

By enacting such legislative proceedings, President Chirac intends to stimulate “research programmes addressing the crucial challenges presented by the environment and climate change: for example, the fuel cell, solar energy and the clean car.” At an announcement in Reims, the President also highlighted his intention to fund the “development of new technologies” such as the ITER project which “will open new avenues towards the development of an energy which is almost unlimited and has no impact on the climate.”

On 14 November French Prime Minister Dominique de Villepin announced “Plan Climat 2005,” further committing France to developing markets for clean energy technologies and increasing their availability in developing countries. De Villepin restated France’s commitment to clean technologies in the Rhone-Alps region with support of UK firm EDF, and encouraged French

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companies to continue their investment in wind and solar power. He also promised a tax credit increase of 50% to private individuals who repurchase electricity from solar panels, and a doubling of the tax credit for collective, tertiary and industrial solar panel installations. Finally, de Villepin reiterated the need to develop international partnerships for sustainable development through research, innovation, and clean technologies.

Moreover, on 5 April 2006 Minister of Agriculture and Fisheries Dominique Bussereau and Industry Minister François Loos made a presentation to the EU Council of Ministers promoting the use of biomass as a source of energy, and encouraging the reduction GHG emissions. Minister Bussereau announced the "biocombustible" plan which, among other things, will increase the production of renewable heat and electricity by 50% by 2010 and create "biocentrales" for cogeneration to create an additional 1 000 megawatts of electric power.

On December 7 2005, President Chirac attended the Montreal UN Climate Change Conference pledging to increasing the availability of clean technologies in developing countries and help vulnerable communities adapt to the impact of climate change. France endorsed the conference’s adoption of the Marrakech Accords which stress the importance of capacity building and “developing innovative technologies through public and private sector involvement.” In addition, the President articulated the need for scientific cooperation to “develop new energy sources, cleaner technologies, [and] …help poor countries cope with the consequences of climate change.” At the end of the conference, France also committed to a statement on Climate Change in the Arctic Region which encouraged signing parties “to consider issues related to the Arctic region[’s]… vulnerability and adaptation to climate change.”

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The government of France also reaffirmed its G8 commitments on March 15-16 2006 by participating in a meeting of the G8 Energy Ministers in Moscow. This meeting underscored efforts “aimed at wider use of renewable and alternative energies, development and implementation of innovative energy technologies,” and acknowledged the importance of “a significant reduction of the gap in energy supply between developed and undersupplied less-developed countries” as an imperative to global energy security.\(^{1049}\)

Analyst: Adam Sheikh

3. Germany: +1

The German government complied with its G8 renewable energy commitments. In a policy statement to the German Bundestag, Chancellor Angela Merkel reiterated the importance of a sound energy policy with a “high degree of environmental compatibility.”\(^{1050}\) Chancellor Merkel also pledged to “canvass strongly for climate protection projects in line with the Kyoto Protocol” during trips abroad and promote the export of German technologies in the energy field.\(^{1051}\)

The German Government played a key role to support the Chinese Government’s hosting of the Beijing International Renewable Energy Conference from 7-8 November 2005.\(^{1052}\) At the conference, the former German Federal Minister for the Environment, Nature Conservation, and Nuclear Safety Jurgen Trittin reaffirmed Germany’s leading role as a promoter of renewable energy, and encouraged more research and development to increase demand and reduce market costs.\(^{1053}\) The Beijing Conference resulted in the Beijing Declaration on Renewable Energy For Sustainable Development.\(^{1054}\) All government representatives in attendance pledged to “substantially increase with a sense of urgency the global share of renewable energy in the total energy supply.”\(^{1055}\) They also emphasized the need for further international cooperation in developing nations to enhance national capacities for research and development, and establish markets for renewable energy.\(^{1056}\)

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Germany, in partnership with the United States, formed a Working Group on Energy, Development, and Climate Change whose inaugural meeting took place 12 August 2005 in Berlin. Representatives from both countries resolved to “strengthen donor cooperation in developing countries consistent with the G8 Gleneagles Plan of Action.”

The German government participated in several international meetings and conferences to promote the availability of energy technologies in developing countries and help vulnerable communities adapt to the impact of climate change. At the Montreal Climate Change Conference form 28 November to 9 December 2005, German Environment, Nature Conservation, and Nuclear Safety Minister Sigmar Gabriel, under Chancellor Merkel, announced that the German government “is ready to move forward on our commitments under 3.9 of the [Kyoto] Protocol” and called for the establishment of carbon markets by 2012. Minister Gabriel also announced that the Clean Development Mechanism (CDM) “is an important guarantee for technology transfer and sustainable development,” and pledged US$1million to fund the Executive Board. Moreover, Minister Gabriel reaffirmed Germany’s commitment to renewable energy, stating that for environmental and economic reasons “the national and global expansion of renewable energies is a high priority” for the new German Government. Germany also committed to a declaration to encourage signing parties “to consider issues related to the Arctic region[s]… vulnerability and adaptation to climate change.”

At the Second Sino-German Environmental Forum held in Qingdao, China in January 2006, the bilateral meeting culminated in the “Qingdao Initiative.” This declaration between the German and Chinese governments stated their intention to further their bilateral environmental cooperation into a “strategic partnership” for the development of sustainable energy supply.

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The Forum also resulted in the development of joint environmental ventures between Chinese and German firms, including plans for wind and solar power generation in China.\textsuperscript{1064}

In a speech at the American Council in New York, Minister Gabriel stated that “no one side — neither the OECD countries nor the emerging countries — will be able to master the energy and raw material crises alone.”\textsuperscript{1065} He further reinforced the need for cooperation between the developed and developing world in order to adapt to climate change. Highlighting the CDM, Minister Gabriel stated that “Germany plans to considerably expand CDM cooperation to ensure a rapid reduction in climate gas emissions in as many regions of the world as possible.”\textsuperscript{1066}

4. Italy: \textsuperscript{+1}

The Italian government achieved full compliance with its G8 renewable energy commitments. As co-organizer the Mediterranean Renewable Energy Partnership (MEDREP) by the Italian Ministry for the Environment and Territory, Italy has developed markets for clean technologies in both developed and developing Mediterranean countries.\textsuperscript{1067} The principle goals of the Italian government are to bring sustainable energy services to rural populations and increase the amount of renewable energy along the Mediterranean.\textsuperscript{1068} In October 2005 Italy hosted the Photovoltaic Mediterranean Conference to promote solar electricity as a source of clean energy. At the conference Environment and Territory Minister ALTERO MATTEOLI\textsuperscript{1069} and the President of the Regione Sicilia, Salvatore Caffaro, reiterated Italy’s commitment to renewable energies in Mediterranean countries by building “strong cooperative links to create the basis for an effective economy linked to the use of renewable energy sources.”\textsuperscript{1070}

Italy also demonstrated a commitment to renewable energy through a two-day energy event in the province of Teramo, which included an action plan to increase renewable energy awareness. This two-step environmental action plan will analyze energy data in the region and reduce

carbon dioxide emissions through the implementation of renewable energy sources. Special provisions were made to assist vulnerable communities by hiring inexperienced international workers.

Italy has taken measures to develop a strong market for renewable energy through a series of conferences which emphasize opening renewable energy systems to citizens under the title “I Giorni delle Rinnovabili: Impianti Aperti ai Cittadini.” The first conference held on 15 May 2006 emphasized the need for accessible public renewable energy systems by raising public knowledge on the feasibility of solar and other renewable energy sources. The conference encouraged co-operation with large and small companies to develop markets for clean energy technologies. Italy also hosted a conference on photovoltaic energy on 20 and 21 May 2006 to educate the public on photovoltaic energy through information initiatives and local events.

At the G8 Gleneagles Summit Italy accepted the responsibility to lead a Global Bio-energy Partnership to “promote collaboration between developed and developing countries, and propose solutions to the issues of trade barriers,” market development, and the sharing of new research and technologies. Italy’s Global Bio-energy Partnership has not yet materialized since the July 2005 Summit. Nevertheless, in November 2005 Director General of the Italian Ministry of Environment and Territory Corrado Clini emphasized his support of the Global Bio-energy Partnership, the need to create markets for renewables, and build international programs for the adaptation to climate change in developing countries.

The Italian government also reaffirmed its G8 commitments on March 15-16 2006 by participating in a meeting of the G8 Energy Ministers in Moscow. This meeting underscored efforts “aimed at wider use of renewable and alternative energies, development and implementation of innovative energy technologies,” and acknowledged the importance of “a

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significant reduction of the gap in energy supply between developed and undersupplied less-developed countries” as an imperative to global energy security.\textsuperscript{1078}

Analyst: Joanna Dafoe

5. Japan: +1

The government of Japan has taken several steps to comply with their G8 renewable energy commitments in both the domestic and international sphere. At Gleneagles, Japan publicized a policy document outlining their climate change initiatives and commitment to the Millennium Development Goals to diffuse energy-efficient and environment-friendly technologies to developing countries.\textsuperscript{1079} Japan pledged to continue its contribution to the International Energy Agency (IEA) “to set up international benchmark[s] for assessing sectoral energy-efficiency performance and to promote research in the related fields.”\textsuperscript{1080} Japan participated in numerous international conferences and meetings to increase the availability of clean energy technologies markets in both developed and developing countries. For instance, on 24 September 2005 Finance Minister Sadakazu Tanigaki participated in a meeting at the World Bank to launch an Investment Framework for Clean Energy and Sustainable Development. This framework convenes, among others, “senior representatives from regional development banks … and technology companies to explore practical solutions for achieving a less carbon intensive and more climate resilient development path” for developing countries.\textsuperscript{1081} On 1 November 2005 Japanese representatives attended the first Ministerial meeting of the Dialogue on Climate Change, Clean Energy, and Sustainable Development in London. This meeting, explored the possibility to promote “wider access to cleaner energy technologies,” prioritized areas for “cooperation between developed and developing countries,” and acknowledged the need for “incentives [to encourage] private sector investment.”\textsuperscript{1082} Japan also sent a delegation from 24 November to 9 December 2005 to the Montreal UN Climate Change Conference which adopted the Marrakech Accords stressing the importance of capacity building and “developing innovative technologies through public and private sector involvement.”\textsuperscript{1083} Finally, on 12 January 2006 at the ASEAN Regional Forum in Sydney, Australia, Japan joined six other developed countries in launching the Asia-Pacific Partnership for Clean Development and Climate. This partnership aims to develop existing and emerging


“cleaner, more efficient technologies and practices among the Partners through concrete and substantial cooperation.”

Furthermore, from 20 to 21 October 2005 Japan hosted the Fourth Informal Meeting on Further Actions Against Climate Change in Tokyo. Participants highlighted the significance of, and the need to improve the CDM System as a means to encourage sustainable development through cleaner energy technologies.

Environment Minister Yuriko Koike also announced a domestic policy, the Kyoto Protocol Target Achievement Plan, in September 2005 at the Preparatory Meeting of Ministers for the Eleventh Session of the Conference of the Parties to the UN Framework Convention on Climate Change (COP11) and the First Session of the Conference of the Parties Serving as the Meeting of the Parties to the Kyoto Protocol (COP/MOP1) in Ottawa, Canada. This domestic policy includes the Team Minus 6% initiative that encourages “all Japanese people [to] tackle global warming” through a six-step action plan which, among other things, encourages the development of markets for clean energy technologies.

On March 15-16 2006 the government of Japan reaffirmed its G8 commitments by participating in a meeting of the G8 Energy Ministers in Moscow. This meeting underscored efforts “aimed at wider use of renewable and alternative energies, development and implementation of innovative energy technologies,” and acknowledged the importance of “a significant reduction of the gap in energy supply between developed and undersupplied less-developed countries” as an imperative to global energy security.

Analyst: Katherine Kinley

6. Russia: +1

The Russian government fulfilled its G8 renewable energy commitments. Russian President Vladimir Putin assumed the G8 Presidency in 2006 and committed himself to the issue of renewable energy by identifying energy security as a one of three major focuses for the upcoming St. Petersburg summit. At a Russian Security Council meeting in the Kremlin, President Putin stated that conserving energy as well as searching for break-through technologies and environmentally friendly energy sources are necessities for promoting energy security.

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The President also stated that Russia is drafting the relevant initiatives and proposals in preparation for G8 discussions with full intention of partaking in their implementation.\textsuperscript{1090}

Russia has also participated in several international meetings and conferences to promote the development of markets for clean energy technologies, their availability in developing countries, and helping vulnerable communities adapt to the impact of climate change. For instance, on 24 September 2005 Russian representatives participated in a meeting at the World Bank to launch an Investment Framework for clean energy and sustainable development. This framework convenes, among others, “senior representatives from regional development banks … and technology companies to explore practical solutions for achieving a less carbon intensive and more climate resilient development path” for developing countries.\textsuperscript{1091} Russian representatives also attended the first Ministerial meeting of the Dialogue on Climate Change, Clean Energy, and Sustainable Development in London. This meeting, explored the possibility to promote “wider access to cleaner energy technologies,” prioritized areas for “cooperation between developed and developing countries,” and acknowledged the need for “incentives [to encourage] private sector investment.”\textsuperscript{1092} Russia sent a delegation from 24 November to 9 December 2005 to the Montreal UN Climate Change Conference which adopted the Marrakech Accords stressing the importance of capacity building and “developing innovative technologies through public and private sector involvement.”\textsuperscript{1093} At the conference, Russia committed to a declaration encouraging signing parties “to consider issues related to the Arctic region[‘s]… vulnerability and adaptation to climate change.”\textsuperscript{1094} Finally, in February 2006, Russia hosted the International Forum Hydrogen Technologies for Energy Production, which was attended by delegates of some of the G8 countries, India, Brazil, and China.\textsuperscript{1095}

President Putin reaffirmed his G8 commitments on 16 March 2006 at a pre-summit meeting with G8 Energy Ministers, stating his desire to “take steps to develop the production of energy using alternative and renewable resources… [and] to provide the developing countries with real

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assistance in introducing effective and affordable energy technology, including technology based on renewable energy sources.”

Analyst: Adam Sheikh

7. United Kingdom: +1

The United Kingdom (UK) government initiated many projects on renewable energy to develop the market for clean energy technologies and has thus registered full compliance with its Gleneagles commitment on renewable energy. In July 2005, the Department of Trade and Industry (DTI) and the Department of Environment, Food, and Rural Affairs published the Second Annual Report on the Implementation of the Energy White Paper. The report announced the implementation of the Renewables Obligation Order, a new goal to achieve 15.4% of energy within the UK from renewable sources by the year 2015/16. As a result of this increased target for renewable energy, the Department of Trade and Industry anticipates increased investor confidence in renewable energy and the development of markets for clean energy technologies. The report also published a list of funded renewable energy projects including: £42 million toward a large-scale wave and tidal farm, a ‘clear skies’ capital grants scheme for micro-hydro powered households, and £500 million toward Carbon Abatement Technologies. The UK also continues to be the largest donor to the Renewable Energy and Energy Efficiency Partnership (REEEP), an NGO focusing on policy-related elements of renewable energy promotion.

In April 2006 the United Kingdom government published a “Response to the Biomass Task Force Report” that emphasized the potential of bioenergy in “contributing to our renewable energy and climate change objectives.” Among other initiatives, the report encouraged further use of Biomass through a grant scheme for biomass boilers and the introduction of building

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regulations to improve biomass energy use." Furthermore, in an attempt to educate the general public about renewable energy, in May 2006 the DTI commissioned a report to assess “awareness and attitudes to renewable energy amongst the general public in Great Britain, and determine influences on their opinions on this subject.”

At the All Energy conference in Aberdeen on 24 May 2006, Energy Minister Malcolm Wicks reaffirmed the UK government’s commitment to renewable energy: “The Government’s target is that 10% of the UK’s electricity will come from renewable sources by 2010.” In particular Minister Wicks highlighted the Whitelee wind farm, which was approved in April 2006 and will be the largest onshore wind farm in Europe, as a positive initiative worthy of emulation. Minister Wicks also encouraged more localized generation of renewable energies, “such as micro wind turbines, solar panels and combined heat and power biomass boilers.”

At the 2006 Montreal UN Climate Change Conference, the UK adopted two decisions regarding the availability of clean energy technologies in developing countries. The first, entitled Further Guidance Relating to the CDM, promotes the use of renewable biomass energy in developing countries as a means for Annex I countries to meet their Kyoto Protocol targets. The second decision entitled Guidance Relating to the CDM, will have the executive board of the UNFCCC agree on a definition of renewable energy sources in order to ensure a more consistent and systematic assessment of renewable energies in developing countries. The UK also committed to a declaration to encourage signing parties “to consider issues related to the Arctic region[s]… vulnerability and adaptation to climate change.”

Analyst: Joanna Dafoe

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8. United States: +1

The United States government fully complied with their G8 renewable energy commitments. By enacting national legislation and funding several long-term projects, the US federal government committed itself to develop domestic markets for clean energy technologies. For instance, on 10 August 2005 the US enacted the Transportation Equity Act (H.R. 3, H.Rept. 109-203) which “has provisions for clean (renewable) fuels, energy conservation, and advanced vehicle technologies.” This legislation supports the 2005 Energy Policy Act which requires that the US government “obtain 7.5 percent of its electrical power from renewable sources of energy by 2013.” In order to facilitate this program, the US Department of Energy (DOE) announced that it “will provide federal energy managers, natural gas utilities, and manufacturers with training [and] instruction on commercially available energy efficiency and renewable energy technologies.” Furthermore, on 15 July the US Department of Agriculture announced a “$11.4 million to guarantee loans to farmers, ranchers, and small rural businesses for renewable energy and energy efficiency projects.” This was followed by another commitment on 9 January 2006 to “provide more than $19 million in grants to support renewable energy projects.” Many of the US’ national programs parallel their State commitments to develop markets for clean energy technologies including Massachusetts, Connecticut, and Texas which enacted legislation to double its renewable energy requirement.

In the State of the Union address on 31 January 2006, President Bush announced the Advanced Energy Initiative, which increases clean energy research at the DOE by 22%. With increased investment the US governments will speed research in three promising areas: coal, solar and wind generated energy. In the area of renewable energy, the United States will propose an

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increase of $65 million to the Solar America Initiative and a $5 million increase for wind energy research in the 2007 budget.\textsuperscript{1121}

The US government also demonstrated its commitment to increase the availability of clean energy technologies in developing countries and help vulnerable communities adapt to climate change. At the Beijing International Renewable Energy Conference on 7 November 2005, the US reiterated its commitment to reduce the price of renewable energy technologies to make them cost-competitive\textsuperscript{1122} and assure their widest possible use. To fulfill this commitment the US, “in partnership with UNEP and others, ... developed a ‘geospatial toolkit’ that helps users identify renewable energy technologies appropriate for their situation.”\textsuperscript{1123}

From 24 November to 9 December 2005 the US sent a delegation to the Montreal UN Climate Change Conference. The conference adopted the Marrakech Accords stressing the importance of capacity building and “developing innovative technologies through public and private sector involvement.”\textsuperscript{1124} In Montreal, Head Delegate Paula Dobriansky highlighted the US’ “fifteen bilateral partnerships with both developed and developing countries,” and their collaborative work to explore renewables with China.\textsuperscript{1125} The US also committed to a statement on Climate Change in the Arctic Region which encouraged signing parties “to consider issues related to the Arctic region[s]... vulnerability and adaptation to climate change.”\textsuperscript{1126}

The US reaffirmed its G8 commitments on March 15-16 2006 by participating in a meeting of the G8 Energy Ministers in Moscow. This meeting underscored efforts “aimed at wider use of renewable and alternative energies, development and implementation of innovative energy technologies,” and acknowledged the importance of “a significant reduction of the gap in energy supply between developed and undersupplied less-developed countries” as an imperative to global energy security.\textsuperscript{1127}

Analyst: Adam Sheikh

9. European Union: +1

The European Union (EU) has complied with Gleneagles’ renewable energy commitments. The EU pursued the development of markets for clean energy technologies. The Energy Community Treaty established an integrated energy market within the EU, extending the application of the acquis communautaire — including energy, environmental, and renewables aspects of the legislation decided at the EU level — across thirty-four European nations. In addition, members of the European Parliament called for incentives for renewable energy production as well as “fair and free access to the grid and non-discriminatory tariffs.” The Biomass Action Plan, announced by the European Commission on 7 December 2005 sets out to increase the production of biomass energy by “creating market-based incentives to its use and removing barriers to the development of the market.”

The EU continues to promote and enforce an open and competitive internal energy market. On 8 March 2006 the European Commission adopted its Green Paper, entitled “A European Strategy for Sustainable, Competitive, and Secure Energy.” The paper which outlines six priority areas for the EU including the removal of barriers to the realization of a single internal energy market, diversifying the types of energy produced and consumed by the EU, and developing a common external energy policy for member states. The European Commission also sent letters of formal notice for failure to properly transpose the directives for the internal energy market to a number of member states. According to the Commission, some member states “are currently opening up their markets in such different ways that this is hampering the development of a genuinely competitive European market.”

The EU also promoted international cooperation on renewable energy technologies. The European Parliament adopted a resolution stating that the use of alternative energy sources must be tackled with both high consumers and with developing countries. The EU will achieve this

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goal by integrating a sustainable energy provision into its development cooperation policy.\textsuperscript{1134} Energy Commissioner Andris Piebalgs reaffirmed the EU’s commitment to clean energy technologies arguing that the EU “should work actively to build global alliances to explore more viable use of renewable energy sources, especially in the developing world.”\textsuperscript{1135} This was reinforced by a Joint EU Development Policy Statement released on 22 November 2005 stating that an “adaptation to the negative effects of climate change will be central in the community’s support to [Less Developed Countries (LDCs)] and small island development states.”\textsuperscript{1136} The EU also created bilateral strategic partnerships with India and China for further research and development of new energy technologies “which will improve cooperation on climate change, including clean energy and energy efficiency, and will promote sustainable development.”\textsuperscript{1137}

The European Commission also contributed to the organization of the Beijing International Renewable Energy Conference, held from 7 to 8 November 2005.\textsuperscript{1138} Commissioner Stavros Dimas stated that the conference was “a clear signal of the Commission’s interest to work with China and other important partners in furthering global environmental issues such as renewable energy.”\textsuperscript{1139} The European Commission is also a signatory to the Beijing Declaration on Renewable Energy for Sustainable Development, acknowledging the need for further international cooperation to establish markets for renewable energy, and create capacity for further research and development of clean energy technologies.\textsuperscript{1140}

The bilateral relationship between the EU and China was further developed at the sixth China-EU Energy Conference, held in Shanghai, 20 February 2006. The EU and China signed a Memorandum of Understanding in which they agreed to jointly research near-zero emissions power generation technologies.\textsuperscript{1141} Environment Commissioner Andris

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Piebalgs stated that the development of near-zero emissions coal power technology in partnership with China “is a key element in enhancing our energy security, promoting new technologies and addressing the challenge of climate change.”\textsuperscript{1142}

Analyst: Matthew Chomyn

Climate Change

Commitment:

“We will advance the global effort to tackle climate change at the UN Climate Change Conference in Montreal later this year. Those of us who have ratified the Kyoto Protocol remain committed to it, and will continue to work to make it a success”

-Chairman’s Summary (final press conference)\(^{1143}\)

Background:

One of the three treaties adopted at the 1992 Rio Earth Summit, the United Nations Framework Convention on Climate Change (UNFCCC) has been, since the first Conference of the Parties (COP1) of the UNFCCC in 1995, the primary international venue for negotiations on mitigating the impacts of climate change. At COP3 in 1997, all parties adopted the Kyoto Protocol, which set out, for the first time, legally-binding targets for reductions in greenhouse gas (GHG) emissions by developed nations as well as several innovative mechanisms for mitigating the cost of those reductions. The Protocol came into force on 16 February 2005 after ratification by the Russian Federation in November 2004, and in early 2005 the Canadian Government offered to host COP11 in Montreal from 28 November 2005 to 9 December 2005. This meeting was to be an historic one because parallel to it (indeed, in the same venue) would be held the first Conference of the Parties acting as Members of the Protocol (COP/MOP1), the first meeting of those 128 Parties that had ratified the Kyoto Protocol.

The commitment to act at the UN Climate Change Conference (as the combined COP11 and COP/MOP1 meetings were called) was significant as fears existed that US cooling to the UNFCCC process would stall further negotiations. Seven G8 members' recommitment to the Kyoto Protocol process (including binding emissions reduction targets) indicated a high level of political support by those G8 members that had ratified the Protocol.

All G8 member states participated in the UN Climate Change Conference and all accepted a total of over forty key agreements. As dictated procedurally, those agreed to under the COP included the United States and those under the COP/MOP did not. The most significant agreements that were reached included the adoption of the 2001 Marrakech Accords (the so-called ‘Kyoto Rulebook’ which established how many of the Protocol’s mechanisms would be enforced) and agreement for movement forward on post-2012 emissions reduction negotiations.

Since the Montreal Conference, there have been a number of further developments, including the first meeting in January 2005 of the Asia Pacific Partnership on Clean Development and Climate. The APPCDC was established in July 2005 shortly after the Gleneagles G8 Summit and includes G8 members Japan and the United States, which is seen by many as a process parallel or even divergent to that of the COP and COP/MOP.

Assessment:

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Individual Country Compliance Breakdown:

1. Canada: +1

Canada complied fully with the first aspect of its commitment to work at the UN Climate Change Conference in November and December 2005, particularly as hosts of the Conference. Former Canadian Minister of the Environment Stéphane Dion reiterated on 27 November 2005 the Ottawa’s plans to make it the first carbon-neutral conference. Canada and the other delegates adopted more than 40 key decisions aimed at combating climate change. The Canadian government also announced the signing of six joint agreements (mostly Memoranda of Understanding) which relate to the Clean Development Mechanism and Joint Implementation on 8 December 2005.

In terms of its second commitment, to move forward on meeting its GHG emissions reduction targets as set out under the Kyoto Protocol, in spite of some funding cuts, recent changes in Canadian policy do not move Canada out of line with this element of its Gleneagles commitment. On 16 July 2005, Canada published the Notice of Intent to Regulate Greenhouse Gas Emissions by Large Final Emitters. In August, Canada created the Offset System which will “reward innovation and provide incentives to reduce GHG emissions.” On 3 October

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2005, new legislation was passed by Parliament to establish the Climate Fund Agency, created in order to purchase internationally-traded units of carbon and credits created by Canada’s own Domestic Offsets System.\textsuperscript{1149}

Environment Minister Rona Ambrose announced on 13 April 2006 that Canada will create a new “Made-in-Canada” approach to GHG emissions reductions.\textsuperscript{1150} That day it was also announced that the current Conservative government would eliminate 15 existing programs that conducted Kyoto related research and aimed at GHG emissions reductions, including an end to the One Tonne Challenge national behaviour change campaign.\textsuperscript{1151} Internationally, Ambrose has assumed the presidency of the COP and COP/MOP until November 2006. When Ambrose opened the climate change talks in Bonn in May 2006, she acknowledged Canada’s inability to meet its Kyoto targets and its desire to proceed with GHG emissions reductions in a process that involves the United States, that is, outside of the Kyoto (COP/MOP) process.\textsuperscript{1152} In spite of this, by the conclusion of the conference, Canada along with other Kyoto signatories signed on to a plan that would lead to negotiations under a COP/MOP process, recommitting Canada to its emissions reductions targets.\textsuperscript{1153}

Analyst: Melissa Fourage

2. France: +1

France continued to push forward on the issue of climate change in an attempt to meet and surpass its Kyoto targets and thus can be said to have demonstrated full compliance with its Gleneagles climate change commitments.\textsuperscript{1154} The French government sent a delegation to the UN Climate Change Conference from November to December 2005. Furthermore, the French government has acted in a number of ways to promote the Kyoto protocol and its own GHG emissions reductions targets within France.

France has acted considerably on an international scale to fulfil its commitments. A French delegation attended the UN Climate Change Conference in Montreal, where it presented its own climate plan and progress to date, helping to mobilize the international community.\textsuperscript{1155} Furthermore, along with the Kyoto Protocol’s 158 other signatories, France “approved crucial


A number of new financial measures to encourage the use of cleaner energy were announced by Prime Minister Dominique de Villepin at the end of 2005, including higher tax credits for the use of renewable energy or products with low CO$_2$ emissions, both in the areas of housing and vehicles.\footnote{Premier Bilan et Contribution aux Débats du Rendez-Vous Climat 2005, Ministère de l’Ecologie et du Développement Durable (Paris), 22 November 2005. Accessed: 5 January 2006. www.ecologie.gouv.fr/IMG/pdf/bilan22112005.pdf.}

On 6 January 2006, Olin demonstrated a new vehicle labeling program that became mandatory as of 10 May 2006, which requires all vehicles in France to be labelled on a scale of A to G, indicating levels of CO$_2$ emissions and by 1 July 2007, the program will be expanded to all types of housing.\footnote{Etiquette-énergie : un dispositif simple et efficace, Ministère de l’Ecologie et du Développement Durable (Paris), 6 January 2006. Accessed: 7 January 2006. www.ecologie.gouv.fr/article.php3?id_article=4996.}

The research effort on clean transportation technology has also been reinforced via the government’s announcement in September 2005 of a €100 million research program which has as its goal the development of a small, fuel efficient vehicle that is low in CO$_2$ emissions and other pollutants by the end of the decade.\footnote{Premier Bilan et Contribution aux Débats du Rendez-Vous Climat 2005, Ministère de l’Ecologie et du Développement Durable (Paris), 22 November 2005. Accessed: 5 January 2006. www.ecologie.gouv.fr/IMG/pdf/bilan22112005.pdf.} In addition, Olin has announced that a government television and radio campaign, launched in 2004 to sensitize citizens to the issue of
global warming, will be extended in 2006 to engage individuals to work towards France’s Kyoto emissions reduction targets.\textsuperscript{1162}

The French government has also acted quickly to implement the European Union Emission Trading Scheme (EU EST.) Linking Directive into national legislation, which sets out rules for participation in the scheme by French firms, and was signed into law on October 26.\textsuperscript{1163} The first meeting of the “Factor 4” occurred in early September, with the objective of creating and evaluating ways of diminishing greenhouse gas emissions fourfold by 2050. The group has met three additional times since.\textsuperscript{1164} At the national level, Olin held the “Rendez-Vous Climat 2005” in mid-November to mobilize a variety of stakeholders who have an interest in climate change, including various ministerial departments, and all civil society actors (NGOs, firms, and locally elected officials).\textsuperscript{1165}

Analyst: Melissa Fourage

3. Germany: +1

Germany acted comprehensively towards fulfilling its Gleneagles climate change commitments. It attended the Montreal UN Climate Change Conference and has since July 2005 instituted a number of policies that move it closer to fulfilling its Kyoto Protocol-mandated GHG emissions reductions targets.

The German delegation attended the COP11 and COP/MOP1 meetings in Montreal and negotiated with its European Union allies as a single bloc. Along with the other Parties, the German delegation agreed to a series of reforms that “continue[d] the course of the Kyoto Protocol” and set in motion a process for post-2012 commitments.\textsuperscript{1166} Indeed, on 8 December 2005, just before the conclusion of the Montreal conference, Federal Minister of Environment

Sigmar Gabriel announced the signing of a partnership to develop Clean Development Mechanism (a key Kyoto mechanism) projects between Germany and Mexico.\(^{1167}\)

In July 2005, the German government published the National Climate Protection Programme (NCPP) 2005 shortly after the Summit, which outlined measures to reduce greenhouse gas emissions in the 2008-2012 period and establish “further ambitious environmental policies after 2012.” In spite of already considerable German reductions in GHG emissions over 1990 levels, the NCPP sets out an ambitious plan for reductions of 30 percent by 2020.\(^{1168}\) In January 2006, the German cabinet decided to allocate an additional €1.4 billion annually to fund the KfW CO2 building modernization program, which on 1 February 2006 was expanded to more buildings.\(^{1169}\)

German firms have participated in the EU Emissions Trading Scheme (EU ETS) since 1 January 2005.\(^{1170}\) This policy was augmented by the decision of the European Council of Environment Ministers (of which Gabriel is a member) to expand the EU ETS to include aircraft emissions, a significant source of GHG emissions worldwide.\(^{1171}\) A number of other EU-wide plans,\(^{1172}\) including those for new automobile emissions standards\(^{1173}\) and fuel content regulations\(^{1174}\) enacted during the compliance period will also counted towards German compliance with the Gleneagles climate change commitment in supporting the meeting of the Germany’s reduction targets.

Most recently, from 15 to 26 May 2006, the UNFCCC Secretariat hosted the latest rounds of UNFCCC climate change negotiations in Bonn, Germany to move forward on agreements that were made at Montreal in 2005. These discussions included meetings of the “Ad Hoc Working


Group on Further Commitments for Annex 1 Parties” under the Kyoto Protocol from 17 to 25 May 2006 and the twenty-fourth session of the Subsidiary Body for Scientific and Technological Advice (SBSTA).  

Analyst: Afsheen Lalani

4. Italy: +1

Italy complied with its Gleneagles climate change commitments through its participation in the United Nations Climate Change Conference. It has also initiated several programs aimed at meeting its Kyoto Protocol-mandated GHG emissions reduction targets. At the United Nations Climate Change Conference in Montreal, the Italian government, along with its EU counterparts, signed a number of key agreements including a reinforcement of the Clean Development Mechanism, the details of a five-year program on adaptation, and the so-called Marrakech Accords. This full participation at the Conference fulfils a key portion of the Italian government’s Gleneagles commitment.

Italy has also undertaken a number of actions in support of the Kyoto Protocol and their requirements under it. On 19 October 2005, Altero Matteoli, the Italian Minister of the Environment, announced a new anti-smog strategy under which €20 million would be spent by the Italian government on incentives for Italian automobile owners to convert gasoline-powered vehicles to run on natural gas or methane and construct distribution centres for those fuels. Under this scheme, some 40,000 automobiles are expected to be converted to fuels that emit less greenhouse gases.

Although not significant enough to diminish Italy’s compliance score, it must be noted that Italy has been criticized harshly by the European Union for its consistent failure to support EU-wide efforts to reduce GHG emissions. On 18 May, the European Court of Justice found that Italy had failed to follow “EU Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community,” that has been one of the cornerstones of the EU Kyoto plan.

Analysts: Matto Mildenberger and Ayako Yamamoto

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5. Japan: +1

Japan registered full compliance with its Gleneagles climate change commitments. Tokyo fulfilled its commitment to attend the United Nations Climate Change Conference in Montreal. Japan signed, along with all other Parties to the Kyoto Protocol, various agreements, including reforms to the Clean Development Mechanism, details of a five-year program on adaptation, and the Marrakech Accords.\footnote{1180}

On 28 September 2005, Japan launched the Voluntary Emissions Trading Scheme, under which 34 selected companies and corporate groups are required to commit to their own targets on the reduction of greenhouse emissions, in exchange for subsidization of “the installation cost of CO2 emissions reduction equipment to help businesses that are actively attempting to reduce greenhouse gas emissions” by the Ministry of Environment.\footnote{1181} The Japanese Ministry of Environment’s most ambitious climate change plan is a comprehensive Environmental Tax that was announced on 25 October 2005. A revision of a 2004 plan that was not implemented, the Japanese government will now introduce a comprehensive tax on consumption-related GHG emissions generated by end-users of energy by January 2007.\footnote{1182} The plan will create a tax on all carbon of about ¥2,400 per ton of atmospheric emissions and is expected to contribute to a decrease in GHG emissions by 3.5% over 1990 levels.\footnote{1183} Annual tax revenues will be reinvested to fund research into energy efficient technologies.\footnote{1184} However, this plan and other environmental proposals have been hampered by a weak and sometimes obstructive response by the Japanese Ministry of Economics, and it is not yet clear in what forms these proposals will be enacted.\footnote{1185}

Since the Gleneagles summit, Japan launched two major behavioural change projects geared specifically to generate society-wide reductions in GHG emissions by reducing heating and cooling needs across Japanese businesses, the first geared seasonally towards the summer months, and the second, launched 17 October 2006, towards the winter months.\footnote{1186} At least the first has publicly been reported by the Japanese Government on 16 September as a tremendous success.\footnote{1187}

Japan also signed two statements of intent of cooperation with Romania\textsuperscript{1188} and Bulgaria\textsuperscript{1189} reaffirming government cooperation with the pursuit of Joint Implementation projects in the two countries to reduce greenhouse gas emissions. Finally, in July 2005 Japan signed the pact creating the Asia-Pacific Partnership on Clean Development and Climate.\textsuperscript{1190} The group met from 11-12 January 2006 and has been criticized by some countries and environmental groups as an avoidance of Kyoto emissions reduction targets and as a challenge to the UNFCCC process on climate change.\textsuperscript{1191} In spite of this, it appears that Japanese action through that partnership, particularly the creation of “taskforces in which governments and businesses create action plans to cut global warming emissions in sectors such as aluminum, cement, steel and power” may be successful in complementing Japan’s Kyoto emissions reduction targets.\textsuperscript{1192}

Analysts: Matto Mildenberger and Ayako Yamamoto

6. Russia: +1

Russia registered full compliance with both aspects of its Gleneagles climate change commitment. The first aspect of its commitment was fulfilled when Russia attended the 2005 UN Climate Change Conference. There, along with all other signatories to the Kyoto Protocol, Russia agreed to over forty decisions pertaining to global efforts to fight climate change.\textsuperscript{1193} Russia has undertaken few initiatives aimed at reducing emissions since it took over the G8 presidency in January 2006, but does register full compliance due to its movement on implementation of key Kyoto programs.

Russia signed and ratified the Kyoto Protocol and agreeing, under Article 10 of the Kyoto Protocol, to “act to stabilize emissions and take voluntary measures to reduce emissions.”\textsuperscript{1194} While it has not undertaken any significant initiatives to fulfill this commitment, Russia has moved forward on implementing some Protocol programs. The interdepartmental commission of Russia’s Cabinet responsible for implementation of the Kyoto Protocol sealed “draft rulings on greenhouse gas emission accounting and on responsibility segregation concerning the progress in Kyoto efforts” on 14 November 2005 and set out guidelines of a further bill on Kyoto


implementation. It followed these actions on 26 February 2006, when Russian Prime Minister Mikhail Fradkov signed a decree that creates a process that documents hydrocarbon units in order to “track the storage, delivery, acquisition, annulment and withdrawal of units of emissions.” The Natural Resources Ministry will keep responsible for keeping track of Russia’s hydrocarbonate units.

On 3 April 2006, Andrei Sharonov, Russian Deputy Economic Development and Trade Minister, said that “a draft regulation for the approval of Joint Implementation (JI) projects and a scheme for targeted environmental investment would be submitted to the government in a few weeks in a bid to launch approval procedures in July,” which would advance Russia’s progress on the implementation of the JI program under the Kyoto pact. There is some evidence of progress on implementation of Kyoto-based programs such that, in spite of a lack of concrete emissions reductions policies coming into effect since Gleneagles, Russia registers full compliance with its Gleneagles commitment.

7. United Kingdom: +1

The United Kingdom registered full compliance with its Gleneagles Summit commitments related to climate change. The UK delegation took a leadership role at the UN Climate Change Conference and signed onto all of the COP and COP/MOP1 outcomes. Furthermore, the UK government has, since the Summit, acted substantially to promote the Kyoto Protocol and reduce greenhouse gas emissions both domestically and internationally. From 1-2 November 2005 the UK government hosted the first Ministerial meeting of the Dialogue on Climate Change, Clean Energy and Sustainable Development that was launched at Gleneagles. Following this, the UK delegation led European Union negotiators at the UN Climate Change Conference in Montreal from 29 November to 9 December 2005, and along with the other parties to the Kyoto Protocol signed a number of key agreements.

On 7 September 2005 UK Secretary of State for Environment, Food and Rural Affairs Margaret Beckett reiterated a commitment made in March 2005 that aims to allow, by April 2006, all UK Government Departments to make carbon offset investments for all departmental and ministerial air travel. On 12 September 2005, Elliott Morely, UK Government minister for

Analyst: Stephanie Law

1196 Register of hydrocarbon units to be created in Russia, Daily News Bulletin (English) Moscow. 26 February 2006.
1197 Register of hydrocarbon units to be created in Russia, Daily News Bulletin (English) Moscow. 26 February 2006.

with international efforts, indicate full UK compliance with Gleneagles’ climate change commitments.

Analyst: Brian Kolenda

8. United States: +1

In spite of significant criticism from other nations, including G8 member states, non-governmental organizations and media, the United States registered full compliance with its Gleneagles commitment to “advance the global effort to tackle climate change at the UN Climate Change Conference in Montreal.” While it signed the Kyoto Protocol in 1997, Washington has not yet ratified the global climate pact and so is exempt from the second part of the Gleneagles climate change commitment, which calls for support of the Kyoto Protocol only by those who have ratified the agreement.

The United States government sent a delegation to the UN Climate Change Conference in Montreal and must register full compliance for doing so and for signing those agreements that it was able to at the Conference. However, Washington has been accused by many environmental campaigners of impeding global efforts in tackling climate change problems in Montreal. At the Conference, the US delegation rejected a proposal from the conference president and then-Canadian environment minister, Stéphane Dion, “to undertake a dialogue on future commitments under the auspices of the UN Framework Convention on Climate Change.” Refusing to be included in broader negotiations on future commitments, Harlan Watson, the chief US negotiator, left the Conference early on 2 December 2005, which was scheduled to be the last date of the Conference. “[Watson] objected to a formulation in the UN statement that suggested dialogue on climate change with no binding commitments which he said would be tantamount to opening fresh negotiations.” After intense discussions, revisions were made to the agreement and Watson returned to the Conference and later agreed to a document that commits to “a dialogue [on future emissions reductions], without prejudice to any future negotiations, commitments, process, framework or mandate” without a deadline for conclusion under the aegis of the UN Framework Convention on Climate Change.

Analyst: Stephanie Law

9. European Union: +1

The European Union (EU) registered a high level of compliance with its G8 commitment to advance global efforts to tackle climate change. The EU complied fully with the first aspect of its Gleneagles commitment through its attendance of the United Nations Climate Change Conference in Montreal in November and December 2005. The EU has furthermore made significant efforts to comply with its Gleneagles commitment to meeting its member states’ emissions reductions targets under the Kyoto Protocol.

The EU and its Member States all registered compliance with that part of the Gleneagles climate change commitment that mandated action on climate change at the United Nations Climate Change Conference. The EU negotiated as a bloc at the Conference and in the end signed on the same package of agreements that did all parties attending the COP11 and COP/MOP1 in Montreal.

The permanent EU institutions have instituted a number of significant policies since the July 2005 Gleneagles Summit, mostly aimed at meeting Kyoto-mandated emissions reduction targets. The European Union’s energy commissioner Andris Piebalgs outlined on 8 December 2005 an EU action plan for the widespread use of biomass energy to reduce GHG emissions in the transportation, electricity production and heating and cooling sectors. The EU also agreed to a Partnership on Climate Change with the government of China on 5 September 2005 that would see EU expertise and member states’ funding for projects in China to promote “development and demonstration of advanced, “zero emissions” coal technology based on carbon dioxide capture and geological storage.”

A March 2006 EU policy discussion paper, ‘The Green Paper’, aimed to include the public in formulating a sound vision for a common EU energy policy that aims to reduce “environmental impact, boost competitiveness and enhance security of supply.” The European Commission has planned a six-month public consultation period on the Paper, ending on 24 September 2007. This paper outlined the EU’s goals to obtain a coherent external policy such that the bloc would be able to tackle common problems such as climate change more effectively with partners on a global scale.

The European Council of Environment Ministers on 5 December 2005 endorsed plans to expand the European Union Emissions Trading Scheme (EU ETS) to include emissions from...
international aviation. This action is significant as that sector alone has contributed up to 73% of the increase in EU emissions from 1997 to 2003. The European Commission, furthermore, announced on 21 December 2005 a directive to create a market to promote cleaner vehicles and proposed its Euro 5 standard for vehicular emissions, which would see cuts in nitrous oxide (a GHG) emissions by 20% and 25% for gasoline and diesel automobiles, respectively. However, recent developments in the EU ETS marketplace have cast some doubt as to the ability of the system to deliver GHG emissions reductions, as prices plummeted in late April 2006 due to unexpectedly low CO2 emissions in six Member States.

Analyst: Afsheen Lalani

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Tsunami

Commitment:

“Six months on from the enormous tragedy of the Indian Ocean disaster on 26 December 2004, we have underlined our support for UN work on post-tsunami humanitarian aid and reconstruction, as well as confirming our commitment to reduce the risk from future disasters and to encourage reform of the humanitarian system.”

-Chair’s Summary (final press conference)\textsuperscript{1227}

Background:

On 26 December 2004, an earthquake under the Indian Ocean generated a massive tsunami that seriously affected the coastal regions of Southeast Asia, Asia and Africa, particularly Indonesia and Sri Lanka. Immediately thereafter, the world community reacted to the tragedy by sending humanitarian aid, foodstuffs and supplies. Cognizant that the tsunami had badly damaged the infrastructures and the economies of many developing countries, the G8 Finance Ministers took the relief efforts further by proposing debt moratoriums, through the Paris Club, for tsunami-affected countries. The G8 has also encouraged the International Monetary Fund, the World Bank, the Asian Development Bank, and other multilateral establishments to contribute financial resources to post-tsunami humanitarian relief and reconstruction projects. Such reconstruction and rehabilitation projects will likely be costly and long-term, however, G8 governments’ have all reaffirmed their commitment to reconstruction and development plans. While the tsunami revealed the destructive forces of nature, the impact of the disaster would have been mitigated had an effective tsunami warning system been in place. At the World Conference on Disaster Reduction held in Kobe, Japan, the G8 countries discussed strategies that might alleviate the impact of future tsunamis. The G8 is committed to finding a global solution that would both minimize the effects of and reduce the risk from future tsunamis. The G8 therefore expresses support for the UNESCO creation of an Indian Ocean Early Warning System. After several rounds of testing, the Intergovernmental Oceanographic Commission (IOC) announced installation plans for a tsunami detection system, expected to be fully operational by the end of 2007.

Team Leader: Susan Khazaeli

Assessment:

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Individual Country Compliance Breakdown:

1. Canada: +1

Canada has taken all the necessary measures to achieve compliance with its Gleneagles commitment regarding the Indian Ocean tsunami. The Canadian government agreed to debt moratoriums for several of the tsunami-affected countries. In addition, the Canadian International Development Agency (CIDA) earmarked CDN$383 million for immediate assistance, humanitarian aid, and post-tsunami rehabilitation and reconstruction, to be disbursed incrementally over five years. Of the Canadian government’s total CDN$425 million pledge, CDN$213 million has already been issued. Former Prime Minister Paul Martin reaffirmed Canada’s commitment to long-term reconstruction and to humanitarian reform, saying: “Reconstruction will take years, and Canada is prepared to go the distance. We will continue to assist those affected by the tsunami through direct support for the affected regions and through the promotion of global efforts to enhance international disaster risk reduction and disaster response efforts.” Canada actively supports the work of UNESCO’s Intergovernmental Oceanographic Commission and other international organizations in their efforts to create an early warning system to mitigate the effects and minimize risks of future tsunamis.

Furthermore, Canada attended the World Conference on Disaster Reduction in January 2006. Six federal departments collaborated to develop an effective action plan. Likewise, Canada is also...

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taking steps to ensure that it is prepared for domestic emergencies and natural disasters. Canada actively seeks to develop multi-hazard warning systems. It financially supports the UN Integrated Regional Information Network (IRIN).\textsuperscript{1233}

Catherine Braggs, Director-General of the Humanitarian Assistance and Peace and Security Division of the Canadian International Development Agency represents Canada as one of twelve appointed members of the Advisory Group of the UN’s Central Emergency Response Fund (CEPF).\textsuperscript{1234}

Analyst: Susan Khazaei

2. France: +1

France continues to lend humanitarian assistance to those countries directly affected by the tsunami, and has thus complied with its Gleneagles commitment. Thus far, France has contributed approximately €17.6 million to international reconstruction efforts.\textsuperscript{1235} France also agreed to a one-year moratorium on debt repayment for Indonesia and Sri Lanka, the two worst affected countries.\textsuperscript{1236}

In December 2005, Foreign Minister Philippe Douste-Blazy explained France’s two main objectives: ensuring continuity between humanitarian assistance and reconstruction and strengthening national and regional capacities for disaster-prevention as well as early warning and response.\textsuperscript{1237} Accordingly, France intends to contribute up to €1.6 million to the building of an Indian Ocean Tsunami Warning System (IOTWS).

Analyst: Sakshi Mehta

3. Germany: +1

Germany has fully complied with its G8 commitment on the Indian Ocean tsunami. Germany encourages the improvement of the existing prevention and response systems. Under the auspices of the UN, Germany played host to the International Early Warning Conference III, held in Bonn from 27-29 March.\textsuperscript{1238} The purpose of the Conference was to “work systematically

\begin{itemize}
\item \textsuperscript{1233} UN Office of the Coordination of Humanitarian Affairs, Accessed: 25 June 2006. www.irinnews.org
\end{itemize}
at a global level to close the gaps still remaining” in the field of early-warnings, damage control, and risk reduction.\textsuperscript{1239} Besides having demonstrated support to UN post-tsunami humanitarian and reconstruction activities, the German Cooperation Agency (GTZ) is funding and coordinating microfinance initiatives that might better equip vulnerable populations, particularly in the tsunami-affected regions, to cope post-disaster.\textsuperscript{1240} Other positive actions on the part of the German government include working alongside the European Union to secure funds and coordinate resources for humanitarian efforts and reconstruction activities.\textsuperscript{1241}

Analyst: Aaron Ghobarah

4. Italy: +1

Italy’s measures regarding post-tsunami humanitarian aid and reconstruction in the Indian Ocean region have brought the country into compliance with its Gleneagles commitment. Italy has directed some €10 million toward rehabilitation and reconstruction. In addition, Italy has extended assistance loans to Indonesia and Sri Lanka in order to ease the reconstruction burden. In regards to its Gleneagles commitment to reduce the risk from future disaster, Italy supports the creation of the UNESCO-sponsored Indian Ocean Tsunami Warning System.

Analyst: My-Hanh Hoang

5. Japan +1

Japan has registered full compliance with its Gleneagles commitments. Japan actively supported the UN post-tsunami aid effort, with an aid package totaling US$500 million.\textsuperscript{1242} In addition to its financial contributions, Japan hosted the World Conference on Disaster Reduction on 18-22 January 2006. It supported the Hyogo Framework for Action and the Hyogo Declaration, which underline a commitment to international disaster reduction strategy and action.\textsuperscript{1243} To reduce the risk from future tsunamis, Japan also supports the development of meteorological radars for early warning.\textsuperscript{1244} Over the last months, the Japan Meteorological Agency has been working to


institute a new Pacific Tsunami Warning and Mitigation System. This system, which was successfully tested in May,\textsuperscript{1245} is expected to be operational globally by the end of 2007.\textsuperscript{1246}

Analyst: Aprile Cadeau

6. Russia: +1

The Russian Federation has taken the necessary steps toward compliance with regard to its Gleneagles commitment, undertaking initiatives supportive of all broad aspects of the commitment. Russia has been an active participant in and contributor to various UN-supported post-tsunami humanitarian aid and reconstruction projects. Second, Russia has reaffirmed the role of UNESCO and the Intergovernmental Oceanographic Commission (IOC) commitment to the creation of a tsunami early warning system.\textsuperscript{1247} While Russia is has not financially supported the United Nations’ Emergency Response Fund, it has contributed approximately US$3.5 million to WHO post-tsunami activities.\textsuperscript{1248} Nevertheless, much of the funds have yet to be disbursed: Russia has accumulated an estimated total of US$18.5 million in outstanding or uncommitted pledges.\textsuperscript{1249} Furthermore, Russia has provided direct humanitarian aid to hard-hit Indonesia. Russia donated 20,000 tons of wheat to the province of Nanggroe Aceh Darussalam, Jakarta.\textsuperscript{1250}

Analyst: My-Hanh Hoang

7. United Kingdom: +1

The United Kingdom has fulfilled the tsunami commitments to which it agreed at Gleneagles, offering humanitarian and financial aid for both humanitarian and reconstruction activities. To minimize the effects of another undetected tsunami, Britain actively supports the UN International Strategy for Disaster Reduction (ISDR), and has contributed financial aid to the International Oceanographic Commission’s plan to implement early warning systems in the


\textsuperscript{1250} Russia donates 20,000 tons of wheat, The Jakarta Post (Jakarta), 12 August 2005.
Indian Ocean.\(^{1251}\) Though not wholly related to its specific commitment, Britain works in partnership with the European Union in encouraging the reform of the humanitarian system to better respond to future tsunamis.\(^{1252}\)

Analyst: Aaron Ghobarah

8. United States +1

The United States has achieved full compliance with its G8 commitment, with approximately US$631 million committed to, and approved for distribution by USAID to help with the reconstruction and rebuilding of the tsunami devastated areas.\(^{1253}\) The United States, through the American National Ocean and Atmospheric Administration (NOAA), has also worked closely with both the UNESCO and the Intergovernmental Oceanographic Commission (IOC).\(^{1254}\) Having previously committed to the development of an early warning system, the United States realized its compliance obligations as American research contributions in cooperation with UNESCO/IOC led to the successful testing of a tsunami early warning system for the Pacific region.\(^{1255}\)

Analyst: Aprile Cadeau

9. European Union: +1

The European Union has fully complied with the commitments to which it agreed at the 2005 Gleneagles Summit. The EU has provided substantial humanitarian and financial aid to those countries affected by the tsunami. On 31 March 2006, the European Commission approved a further contribution of €118 million to support rehabilitation and long-term reconstruction programs in Indonesia’s Aceh province, bringing the total aid contribution for the region to €207 million.\(^{1256}\) The Commission also committed an additional €3 million in support of the United Nations Office for the Coordination of Humanitarian Affairs, Integrated Regional Information


Networks (IRIN) and various umbrella programs.\textsuperscript{1257} Part of the funding will be directed toward the creation of a Global Disaster Alert System for early warnings, damage assessment and strategic planning in natural disasters.\textsuperscript{1258} Furthermore, the European Union encourages the reform of the humanitarian system by proposing “concrete measures to deliver EU aid better and faster” which will scale-up aid substantially and improve its impact and speed of delivery.\textsuperscript{1259}

Analyst: Sakshi Mehta


Surface Transportation

Commitment:

We will encourage the development of cleaner, more efficient and lower-emitting vehicles, and promote their deployment, by:

“Adopting ambitious policies to encourage sales of such vehicles in our countries, including making use of public procurement as appropriate to accelerate market development;”

-Gleneagles Plan of Action: Climate Change, Clean Energy, and Sustainable Development

Background:

According to official UNFCC figures released in November 2005, transportation accounts for between 17 percent and 26 percent of G8 member states’ greenhouse gas (GHG) emissions. The G8’s commitment to the promotion of more environmentally-friendly and fuel-efficient vehicles can thus be seen in the context of a wider effort to generate consensus around international action on climate change, particularly with the some large emitters resisting pressure to join into international legally-binding commitments to make emissions reductions. Indeed, “the development of cleaner, more efficient and lower-emitting vehicles” is a policy area around which even those who downplay the importance of climate change can come together as part of a larger international consensus, as the issue is often one framed in terms of energy security and energy independence, particularly from imported oil. While there have been few discussions specifically on the subject of automobiles at the several G8 Ministerial meetings leading up to the July 2006 St. Petersburg Summit, this is an issue that may come up at the Summit given that the Russian presidency has chosen energy security as its main theme.

Team Leader: Brian Kolenda

Assessment:

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Individual Country Compliance Breakdown:

1. Canada: +1

Canada has fully complied with its Gleneagles commitment to encourage the development and sales of “cleaner, more efficient and lower-emitting vehicles” through a number of innovative programs introduced both immediately following the Gleneagles Summit and well into 2006. What follows is a description of some of the programs the Canadian government has undertaken, but it is by no means a comprehensive list. Of significance is the fact that no major federal transportation initiative was included in a list of fifteen climate change related programs that Natural Resources Canada announced would be “wound down” as of 13 April 2006.\textsuperscript{1261}

Natural Resources Canada (NRCan) announced early in 2005 that it would fund a pilot project called Natural Gas for Vehicles Market Transformation from 1 April 2005 to 31 March 2006. In an effort to shift Canadian markets towards environmentally-friendly transportation, the program will pay Canadian businesses, organizations, and individuals that operate vehicles in “high-fuel-use fleets,” including municipal, provincial, and utility fleets, up to $3,000 upon the purchase or lease of a new natural-gas vehicle (NGV).\textsuperscript{1262} Although the project was announced before the Gleneagles Summit, in late July, the Canadian government, working in association with the Canadian Natural Gas Vehicle Alliance (CNGVA), renewed its commitment to encourage the sale of more efficient, lower-emitting vehicles by announcing an extension of the pilot project and an additional $1.8 million of funding.\textsuperscript{1263}

On 7 September 2005, the Alberta Research Council (ARC) together with Natural Resources Canada announced the launch of an online Biofuels Quality Registry on which biodiesel producers can sign up to have their products tested for quality.\textsuperscript{1264} The two-year $100 000 program encourages small and medium sized biodiesel producers and consumers to regularly register their products for quality analysis, and will provide monetary incentives to this end. The program is part of the Canadian Government’s Biodiesel Initiative.\textsuperscript{1265} Providing resources for the development of the biodiesel industry builds consumer confidence in alternatives to traditional fuels harmful to the environment, such as gasoline, and may contribute to increased sales of products and vehicles that can run on these innovative sources of clean energy. It is also evident that the government is allocating funds to accelerate market development for biodiesel products.

On 8 March 2006, the Government of Canada launched a sustainable-transportation project together with the provincial government of Manitoba to encourage the use of cleaner fuels in fleet operations. The project will invest $174 000 in the installation of a storage and fuelling facility in Winnipeg, Manitoba, for an environmentally-friendly fuel known as E85. The facility will allow provincially and federally operated fleet vehicles to fill up on the high ethanol content fuel that is not currently available commercially. Ron Lemieux, Minister of Transportation and Government Services of Manitoba said, “This station will serve our fleet vehicles in the Winnipeg area and eventually lead to providing this environmentally-friendly fuel to the thousands of E85-capable vehicles now registered in Manitoba.”

On 24 March 2006, the Manitoba Motor Dealers Association (MMDA) and Natural Resources Canada (NRCan) launched a joint pilot project to encourage the marketing of fuel-efficient vehicles and other fuel-saving initiatives. NRCan’s $90 000 investment in the program aims to raise public awareness about fuel-efficiency and will encourage the 120 MMDA automobile dealerships that sell approximately 200 000 vehicles per year to use the EnerGuide label. The project will run until 31 May 2006.

On 23 May 2006, Rona Ambrose, Minister of the Environment, announced the launch of a Federal government process to move to 5% biofuel content by 2010.

Analyst: Taleen Jakujyan

2. France: +1

The French government has complied fully with its Gleneagles commitment to reducing harmful carbon dioxide emissions produced by vehicles. On 1 January 2006, the tax credit announced by Prime Minister Dominique de Villepin in November 2005 in his Vehicle Emission Reduction Plan came into effect. Following up on this commitment made in 2005, this national fiscal policy grants tax credits of up to €2,000 (a 30% increase from previous years,) to people who purchase low-emissions vehicles. It further allocates €100 million over the next five years for R&D into more efficient vehicles.

On 6 January 2006, Minister of Ecology and Sustainable Development Nelly Olin announced the commencement of the “Étiquette d’Énergie” program. As of 10 May 2006 it has become mandatory for all new vehicles sold in France to display a label that clearly indicates its level of CO₂ emissions. The energy label is colour-coded and runs from the letters A through G, with “A” representing vehicles emitting 100gCO₂/Km or less, while “G,” 250gCO₂/Km or more. The goal of this program is to raise the public’s awareness about French and foreign made vehicles, with the hopes this information will enable them to make more environmentally friendly car purchases in the future.

The energy-label program is furthermore an important tool in de Villepin’s fiscal policy. Vehicles receiving a label of E or G, 200gCO₂/Km-250gCO₂/Km or more are subject to taxation beginning July 2006. This taxation program is a follow-up on de Villepin’s 2005 announcement. Drivers with vehicles producing 200-250gCO₂/Km may pay as much as 2€/gCO₂ while cars emitting more than 250gCO₂/Km may pay up to 4€/gCO₂ or €4769 a year. This tax further applies to all state and corporate vehicles with the hope that their acquisition of more efficient vehicles will set a positive example to French consumers.

Analyst: Elaine Kanasewich

3. Germany: +1

Although it got off to a slow start in the beginning of the compliance period, recent developments have placed the German Government in full compliance with its Gleneagles Summit commitment to support the development and marketing of fuel-efficient and lower-emitting vehicles. The funding unveiled in March supporting the development of vehicles powered by hydrogen demonstrates Germany’s full compliance with its Gleneagles commitment in surface transportation. In addition, the German Government has demonstrated efforts to join with international partners to break ground with cleaner fuel technology in the surface transport field.

On 17 February 2006, the German Association of the Automotive Industry (VDA) announced in Berlin that the Federal Minister of Transportation Wolfgang Tiefensee welcomed its efforts to
help reduce carbon dioxide emissions by developing alternative fuels and preparing for the widespread employment of hydrogen starting in 2020. The VDA’s efforts are in compliance with the German Government’s fuel strategy to reduce harmful gas emissions and German dependence on oil for surface transportation. Minister Tiefensee referred to this announcement as a clear sign that it was time that the automobile industry, oil companies and government worked together to advance the development of new cleaner technologies.

On 14 March 2006, Minister Tiefensee was accompanied by his French counterpart Dominique Perben at the opening of the second hydrogen gas station, a project sponsored by the German federal government through the Clear Energy Partnership (CEP). Tiefensee announced that in the next ten years the German Government would invest €500 million in a new hydrogen and gas cell innovation program aimed at strengthening Germany’s commitment to sustainable transportation, although it was not immediately clear what share, if any, of this commitment is ‘new’ money.

On 7 April 2006, the second meeting of the Steering Committee of the Fuel Partnership of the German Ministry of Transport and the Chinese Science Ministry took place. German Undersecretary of Transport Joerg Hennerkes announced that Germany and China were ideal partners in the objective to develop alternate fuels for automobiles because German private enterprise has experience in developing new fuels and Chinese industry has improved the efficient and environmentally friendly use of conventional fuels.

Analyst: Taleen Jakujyan

4. Italy: +1

Italy has registered full compliance with its Gleneagles Surface Transportation Commitment, proposing substantial national measures that supplement its obligations under ambitious EU-wide compliance activities. Although the Italian government does not appear to have made further announcements since January relating to this commitment, the strength of its efforts in Fall 2005 allow it to retain a full compliance score of +1.

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1280 Tiefensee begrüßt deutliche Positionierung des VDA zur Kraftstoffstrategie der Bundesregierung, German Ministry of Transport, Building and Housing, 17 February 2006. Accessed: 10 May 2006. www.bmvbs.de/Presse/Pressemittteilungen,-1632.949993/Tiefensee-begruesst-deutliche-.htm?global.back=/Presse/-%2c1632%2c6/Pressemittteilungen.htm%3flink%3dwww.bmv_liste%26link.sKategorie%3d

1281 Tiefensee begrüßt deutliche Positionierung des VDA zur Kraftstoffstrategie der Bundesregierung, German Ministry of Transport, Building and Housing, 17 February 2006. Accessed: 10 May 2006. www.bmvbs.de/Presse/Pressemittteilungen,-1632.949993/Tiefensee-begruessst-deutliche-.htm?global.back=/Presse/-%2c1632%2c6/Pressemittteilungen.htm%3flink%3dwww.bmv_liste%26link.sKategorie%3d


would see cuts in nitrous oxide emissions by 20 percent and 25 percent for gasoline and diesel automobiles, respectively.\textsuperscript{1293}

Analyst: Matto Mildenberger

5. Japan: 0

The Japanese government has, as at the interim report, not registered full compliance with its Gleneagles commitment to promote environmentally friendly surface transportation. It has advanced a number of initiatives to meet this commitment, including world-leading truck and bus fuel economy standards, but the majority of its other initiatives do not sufficiently address the issue of vehicular transport specifically to justify a score of full compliance. Critically, Japan has not yet addressed its Gleneagles commitment to market development for cleaner vehicles either by encouraging consumer sales of fuel-efficient vehicles or using public procurement policies.

Japan’s major vehicular economy policy change since the Gleneagles summit is an ambitious initiative that would set strict new fuel economy standards for trucks and buses over 3.5 tonnes. The standards, which came into effect in April 2006 and which represent the first such standards anywhere in the world, would by 2015 aim to improve fuel efficiency by 12 percent over 2002 levels.\textsuperscript{1294} The Japanese Ministry of Economy, Trade and Industry (METI)’s funding of research into surface materials led to the May 2006 announcement of a breakthrough in less wind-resistant automobile surfaces, however, the funding for this project was allocated in 2004.\textsuperscript{1295}

Another ambitious initiative is the Japanese Ministry of Environment’s comprehensive Environmental Tax Plan that was announced on 25 October 2005. Although it is a revision of a 2004 plan that remained unimplemented, the Japanese government now plans to introduce a comprehensive tax on consumption-related GHG emissions, including the burning of fossil fuels in cars, by January 2007.\textsuperscript{1296} The plan would create a tax on gasoline of about JPY1.52 per litre of gasoline and is expected to lower consumption of gasoline and raise in total about JPY370 billion in annual revenue,\textsuperscript{1297} some share of which would go to fund research into energy efficient technologies and “promote the increase[d] use of energy-saving … low emission

cars.” However, the Environment Ministry has not yet set a firm date for when the automobile-specific taxes will be introduced, which will be likely after the January 2007 date of the other emissions taxes.  

On 28 September 2005 Japan launched the Voluntary Emissions Trading Scheme, under which 34 selected companies and corporate groups are required to commit to their own targets on the reduction of greenhouse emissions, in exchange for subsidization of the costs of retrofits. These subsidies have the potential to be used for firms’ automobile fleets, but it is unclear what share, if any, of the subsidies will in the final implementation be devoted towards improving vehicular fuel economy or expand the use of renewable energy sources in automobiles.

Analyst: Asif Farooq

6. Russia: -1

The Russian government not complied with the commitments made at the Gleneagles Summit with regards to surface transportation and the promotion of low-emission vehicles. Particular note must be made of the fact that Russia has not moved on implementing any programs to fulfill this commitment since assuming the G8 presidency in January 2006. Russia has made no effort to encourage Russian consumers to buy or drive low-emission vehicles, has made no changes to its procurement policies vis-à-vis cleaner vehicles, nor has it made any substantial financial contribution or commitment into research and development of low-emission vehicles.

The only policy Russia has adopted towards reducing automobile emissions was verbalized at a press conference held by Deputy Minister of Foreign Affairs Alexander Yakovenko who announced that on 6 October 2005, the Russian government approved special technical regulations on requirements for emissions of harmful (polluting) substances of motor vehicles. This initiative imposes new criteria and standards for cars based on the Euro 2 standard for automobile emissions with the hope that this will allow for an eventual move towards Euro 3, 4 and 5 efficiency standards. On 21 December 2005, the Russian News and

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Information Agency, *Moskovskiye Novosti*, reported that the Russian Industry and Energy Ministry would submit a blueprint to the Cabinet by 26 December 2005 proposing the eventual shift from the Euro 2 emission standard to the much more efficient and stringent Euro 4 standard which most of Western Europe already abides by. As of May 2006, the Cabinet has yet to act on the proposition. This attempt to move to Euro 4 standard is nonetheless being received with skepticism, with *Moskovskiye Novosti* reporting the shift to Euro 4 will most likely be hindered by the fact the majority of Russian cars are so old that it will take many years to achieve any palpable improvements in emissions reduction.

The commitment clearly calls for the government to encourage and promote the use and development of cleaner, more fuel-efficient vehicles. While the government’s decision to require all Russian vehicles to meet the Euro 2 efficiency standard is in the spirit of the commitment, it is not significant enough a development to be counted as evidence of compliance given “the gap in vehicular exhaust standards” that is exemplified in the fact that almost all the other G8 countries already require Euro 3-, 4- or 5-equivalent efficiency standards.

Analyst: Elaine Kanasewich

**7. United Kingdom: +1**

The United Kingdom has demonstrated full compliance with its Gleneagles commitment to promote the development of fuel-efficient vehicles and technologies. It has engaged in a number of partnership and regulatory initiatives domestically, and has complied or will likely comply with a number of changes to European Union regulations such that it receives a full compliance score.

The UK government’s actions on domestic regulation have been significant and broad, impacting a number of key transport sectors. To address emissions from private vehicles, a new consumer fuel efficiency-labelling program was announced on 10 February 2005 funded via the UK Department for Transport and the Department of Trade and Transport, which was to be voluntarily rolled out by all 42 automobile manufacturers operating in Britain from July to September 2005. Addressing cleaner personal transport, UK Transport Secretary Alistair Darling announced on 10 November 2005 the Renewable Transport Fuels Obligation, a new...
regulation that would require that 5 percent of all fuel sold in Britain by 2010 come from a renewable source, such as biomass, solar or wind. Darling estimated the potential CO2 savings in 2010 would be “1 million tonnes of carbon dioxide emissions in 2010 — the equivalent of taking a million cars off the road.”

March 2006 saw the introduction of a number of key initiatives in the UK’s surface transport strategy. The 2007 UK Budget that was announced on 22 March saw a change in the Vehicle Excise Duty to increase the levy on a wider range of major polluting vehicles and the raising of incentives on the least-polluting automobiles. With the release of the UK’s Climate Change Programme 2006 on 28 March 2006, the UK government announced that it would, beginning in 2008, introduce the Renewable Transport Fuel Obligation with a series of defined interim target levels for renewable content in petrol and diesel.

At the European level, as EU President from July through December 2005, the UK supported a number of initiatives that targeted GHG emissions from surface transport. The European Commission on 12 August 2005 adopted a Biomass Action Plan, which promotes fuel standards and research and development. On 15 December 2005, the European Parliament voted in favour of a 2003 proposal to amend the 1999 Eurovignette Directive that would see all member states have to amend road fees for transport trucks so that they were charged rates based on the Euro fuel efficiency standards by 2010. It is expected that the plan will download more emissions-related costs onto road users and improve total average UK truck fuel efficiency.

8. United States: +1

The United States has fully complied with its Gleneagles commitment to promote environmentally friendly vehicles through a number of initiatives. Regulatory changes to emissions standards, international partnerships, tax incentives and funding for research and development of fuels have been key elements of the US strategy to meet this commitment.
On 29 December 2005 the US Environmental Protection Agency (EPA) introduced a new rule mandating that automobile manufacturers must show that all cars and light-duty trucks that have minimum fuel efficiency standards applied to them will be able to meet those standards throughout the planned lifetime of the vehicle. Following on the heels of that announcement, the EPA announced a proposal on 10 January 2006 that would see improvements to the testing procedures to make fuel efficiency estimates of vehicles more accurate for consumers deciding to purchase automobiles. More stringent fuel efficiency standards for heavy vehicles were introduced in December 2005 and will be implemented by 2007. Administration officials have also brought forward a proposal reform the structure of the current Corporate Average Fuel Economy (CAFE) standard program to allow it to apply to passenger cars as well.

In addition, the EPA has engaged in a number of international partnerships to promote fuel efficiency. The agency signed a memorandum of understanding with Canada’s Natural Resources Canada (NRCan) ministry that lays out plans “to cooperate and share information in research, development, and projects to save fuel and reduce emissions.”

These regulatory actions were complemented recently by the US Congress’ passing into law in August 2005 of a new clean vehicular tax credit along with the Energy Policy Act 2005. Having come into effect on 1 January 2006, the tax credits will reduce American consumers’ and firms’ tax liability by up to $3,400 for each purchase of a fuel-efficient vehicle. Finally, the 2007 US budget proposals from the US Department of Energy include money for a number of new programs, including $149.7 million for Biomass and Biorefinery Systems research and development as part of the Department’s new Biofuels Initiative.

Analyst: Asif Farooq

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9. European Union: +1

The European Union has registered a high degree of compliance with its Gleneagles Surface Transportation Commitment, pursuing a comprehensive and imaginative set of reforms and policies to facilitate the development of cleaner transport alternatives.

The main thrust of these efforts has been legislation passed through EU governance in the fall of 2005. Notably, on 20 September 2005, the European Parliament passed a lengthy directive to promote the reduction of vehicle emissions. Critical elements of this directive included clarification and harmonization of emissions standards; commitment to require more expansive testing of vehicle emissions type and levels; commitment to improve the quality of motor fuel; provisions to require onboard diagnostics for the detection of deterioration in emission control equipment; and explicit permission to allow member states to offer tax incentives or subsidies to manufacturers in the clean surface transport sector. Responsibility for the implementation of the directive was placed with the European Commission. It was followed on 21 December 2005 by a European Commission directive to create a market to promote cleaner vehicles. This latter directive imposed a quota for the purchase of clean vehicles on all public bodies (25 percent of annual procurement of heavy-duty vehicles over 3.5 tonnes), estimated to lead to the purchasing of 52,000 vehicles. The European Commission also formally proposed its Euro 5 standard for vehicular emissions, which would see cuts in nitrous oxide (a GHG) emissions by 20% and 25% for gasoline and diesel automobiles, respectively. Similarly, on 7 December 2005, the European Union proposed a biofuel and biomass action plan. Measures relating to transport include a review of how fuel standards might better encourage the development of biomass transport options.

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Finally, on 13 January 2006, the EU unveiled its Strategy for the Urban Environment. While this proposal was not accompanied by specific legislation, it re-affirmed the EU’s commitment to clean urban transport, and promised capacity-development and support for regional and local governments across the EU in creating sustainable urban transport plans.\footnote{Questions and Answers on the Thematic Strategy on the Urban Environment. Memo 06/09 of the European Commission (Brussels). Accessed: May 15 2006. www.europa.eu.int/rapid/pressReleasesAction.do?reference=MEMO/06/9&format=HTML&aged=0&language=EN&guiLanguage=fr.}

Analyst: Matto Mildenberger
Appendix A
Priority Commitments: 2005 Gleneagles Summit

1. Peacekeeping

2005:3. (Chairman’s Summary) “The G8 in return agreed a comprehensive plan to support Africa’s progress. This is set out in our separate statement today. We agreed:

- to provide extra resources for Africa's peacekeeping forces so that they can better deter, prevent and resolve conflicts in Africa.”

2. Good Governance

2005:24. (Africa) “We will work vigorously for early ratification of the UN Convention Against Corruption and start discussions on mechanisms to ensure its effective implementation.”

3. Health: HIV/AIDS

2005:42. (Africa) “We will work to meet the financing needs for HIV/AIDS, including through the replenishment this year of the Global Fund to fight AIDS, TB and Malaria; and actively working with local stakeholders to implement the ‘3 Ones’ principles in all countries.”

4. Health: Polio Eradication

2005:44. (Africa) “Supporting the Polio Eradication Initiative for the post eradication period in 2006-8 through continuing or increasing our own contributions toward the $829 million target and mobilising the support of others.”

5. Debt Relief: Africa

2005:12. (Chairman’s Summary) “The G8 has also agreed that all of the debts owed by eligible heavily indebted poor countries to IDA, the International Monetary Fund and the African Development Fund should be cancelled, as set out in our Finance Ministers agreement on 11 June.”

6. Official Development Assistance

(Chairman’s Summary) “We have agreed to double aid for Africa by 2010. Aid for all developing countries will increase, according to the OECD, by around $50bn per year by 2010, of which at least $25bn extra per year for Africa.”

7. Promoting Growth: Africa

2005:60. (Africa) “We agree to support a comprehensive set of actions to raise agricultural productivity, strengthen urban-rural linkages and empower the poor, based on national initiatives and in cooperation with the AU/NEPAD Comprehensive Africa Agriculture Development Programme (CAADP) and other African initiatives.”
8. **Education: Africa**

2005:36. (Africa) “As part of this effort, we will work to support the Education for All agenda in Africa, including continuing our support for the Fast Track Initiative (FTI) and our efforts to help FTI-endorsed countries to develop sustainable capacity and identify the resources necessary to pursue their sustainable educational strategies.”

9. **Trade: Africa**

2005:6. (Chairman’s Summary) “The G8 in return agreed a comprehensive plan to support Africa’s progress. This is set out in our separate statement today. We agreed:

- to stimulate growth, to improve the investment climate and to make trade work for Africa, including by helping to build Africa's capacity to trade and working to mobilise the extra investment in infrastructure which is needed for business.”

10. **Trade: Opening Markets and Addressing Agricultural Subsidies**

2005:14. (Chairman’s Summary) “We reaffirmed our commitment to open markets more widely to trade in agricultural goods, industrial goods and services, and in agriculture to reduce trade distorting domestic subsidies and eliminate all forms of export subsidies by a credible end date.”

11. **Trade: Least Developed Countries**

2005:15. (Chairman’s Summary) “We also committed to address products of interest to Least Developed Countries in the negotiations, and to ensure Least Developed Countries have the flexibility to decide their own economic strategies.”

12. **Middle East Reform**

2005:1. (Middle East Peace Process) “We support Mr Wolfensohn’s intention to stimulate a global financial contribution of up to $3bn per year over the coming three years. Domestic and international investors should be full partners to this process. We are mobilising practical support for Mr Wolfensohn’s efforts and look forward to further development of his plans and their presentation to the Quartet and the international community in September.”

13. **Debt Relief: Iraq**

2005:2. (Iraq) “We reaffirm our intention to reduce Iraq’s debt by implementing the terms of the November 2004 Paris Club agreement. We call on other creditors to provide debt relief on generous terms comparable to or even better than those agreed by the members of the Paris Club in November 2004.”

14. **Sudan**

2005:2. (Statement by the G8 and AU on Sudan) “We commend and will continue to support the African Union’s mission in Sudan (Darfur), just as we are contributing to UNMIS’s operation in southern Sudan.”
15. Terrorism

(G8 Statement on Counter-Terrorism) “We have carried forward initiatives to prevent the spread of weapons of mass destruction to terrorists and other criminals, reinforce international political will to combat terrorism, secure radioactive sources and — as announced at Sea Island — ensure secure and facilitated travel. Today we commit ourselves to new joint efforts. We will work to improve the sharing of information on the movement of terrorists across international borders.”

16. Non-proliferation

2005:11. (G8 Statement on Non-Proliferation) “We renew our pledge to raise up to $20 billion over ten years to 2012 for Global Partnership priorities, initially in Russia.”

17. Transnational Crime

2005:4. (Reducing IPR Piracy and Counterfeiting Through More Effective Enforcement) “We are deepening these efforts at home and abroad, with the aim of reducing substantially global trade in pirated and counterfeit goods, and efficiently combating the transnational networks that support it. In particular, we will take further concrete steps to:

• Improve co-ordination of anti-counterfeiting and anti-piracy crime strategies, and ensure closer co-operation among enforcement officials, including through shared risk analysis, exchange of best practice, enhanced existing cooperation at international borders, and between governments and the private sector;”

18. Renewable Energy

2005:1. (Chairman’s Summary) “We resolved to take urgent action to meet the challenges we face. The Gleneagles Plan of Action which we have agreed demonstrates our commitment. We will take measures to develop markets for clean energy technologies, to increase their availability in developing countries, and to help vulnerable communities adapt to the impact of climate change.”

19. Climate Change

2005:2. (Chairman’s Summary) “We will advance the global effort to tackle climate change at the UN Climate Change Conference in Montreal later this year. Those of us who have ratified the Kyoto Protocol remain committed to it, and will continue to work to make it a success.”

20. Tsunami

2005:16. (Chairman’s Summary) “Six months on from the enormous tragedy of the Indian Ocean disaster on 26 December 2004, we have underlined our support for UN work on post-tsunami humanitarian aid and reconstruction, as well as confirming our commitment to reduce the risk from future disasters and to encourage reform of the humanitarian system.”
21. Surface Transportation

2005:9. (Gleneagles Plan of Action: Climate Change, Clean Energy, and Sustainable Development) “We will encourage the development of cleaner, more efficient and lower-emitting vehicles, and promote their deployment, by:

- Adopting ambitious policies to encourage sales of such vehicles in our countries, including making use of public procurement as appropriate to accelerate market development.”
Appendix B
Interpretive Standards for Middle East Reform

Commitment:

“We support Mr Wolfensohn’s intention to stimulate a global financial contribution of up to $3bn per year over the coming three years. Domestic and international investors should be full partners to this process. We are mobilising practical support for Mr Wolfensohn’s efforts and look forward to further development of his plans and their presentation to the Quartet and the international community in September.”

-Middle East Peace Process

Interpretive Standards:

1. What was Wolfensohn’s intention?

“We support Mr Wolfensohn’s intention to stimulate a global financial contribution of up to $3bn per year over the coming three years.”

Mr. Wolfensohn’s intention is to stimulate the global financial contribution to the Palestinian Authority. This intention is not affected by the fact that he no longer holds the position of the Quartet’s Special Envoy for Gaza Disengagement, because the intention still exists as expressed.

On June 30, 2005, just prior to the Gleneagles Summit, Mr. Wolfensohn outlined his 3 year development and aid plan for Palestinian development:

A Stable Medium-Term Financial Plan for Palestinian Development: Over the medium term, the PA should create a broad development plan that is linked to a fiscally sound financial plan. This leaves donors with the choice of funding piecemeal programs, or financing a hand-to-mouth operation. I propose that the PA, with the help of the international community, engage in a fully participatory process of developing a consolidated plan, which donors can then approach in a coordinated and comprehensive way.

Support for this plan from the international community, including the Arab countries, must be substantial if the existing dynamic is to be changed. Both sides should receive a clear message that donors stand united in their willingness to use this opportunity to work toward a lasting solution. This support should of course be contingent on Palestinian reforms and on security for Israel. I have met separately with many of the G8 leaders, and will meet in a few days with them together in Gleneagles to solicit their strong endorsement of this approach.

Mr. Wolfensohn’s intention is thus to stimulate the global financial contribution to the
Palestinian Authority in a demonstration of unity of purpose among the members of the
international community.

2. How much of the global financial contribution should the G8 contribute?

“Domestic and international investors should be full partners to this process.”

The G8 will support Mr. Wolfensohn’s intention to stimulate a global financial contribution to
the Palestinian Authority, but the G8 is not expected to contribute all funds. Domestic and
international investors should be full partners in this process. The G8, in order to comply with
this commitment, must contribute their “fair share.”

The G8’s “fair share” is based on the precedent of past G8 contributions to the Global Fund,
which the G8 supports but while also has many domestic and international investors. Using the
Global Fund as a referent (total G8 funds contributed in USD from 2001 to June, 2006 divided
by the total funds contributed in USD from 2001 to June, 2006), the G8 should aim to contribute
approximately 78% of the total needed.

3. How much of the money should be given in year 1?

“We support Mr Wolfensohn’s intention to stimulate a global financial contribution of up to
$3bn per year over the coming three years.”

The global financial contribution of up to $3 billion per year over the next three years implies
that in the end goal of the commitment is to have a $3 billion donation by the third year. This
should not be understood to imply an intention to disperse this commitment evenly over the
three-year period.

4. What allowance should be made for the term “up to $3bn”?

“We support Mr Wolfensohn’s intention to stimulate a global financial contribution of up to
$3bn per year over the coming three years.”

The term “up to” leaves some room for interpretation. Based on past G8 Research Group
compliance reports, “up to” generally means reaching more than 70% of the goal. In this case,
“up to $3bn” would equate to at least $2,100,000,000 by the end of the third year, or using the $1
billion in the first year rationale, the financial contribution would be at least 700,000,000 for
2005-6.

5. How much money are private investors expected to contribute?

There is no evidence to suggest that beyond “Domestic and international investors,” private
investors should also contribute. Therefore, private investment in the Palestinian economy will
not be included toward the goal of $700,000,000 for 2005-6.
6. How much weight should be given to the final sentence?

“We are mobilising practical support for Mr Wolfensohn’s efforts and look forward to further development of his plans and their presentation to the Quartet and the international community in September.”

The first part of the final sentence reiterates the commitment of the first sentence, to mobilize the practical (monetary) support to undertake Mr. Wolfensohn’s intention to stimulate a global financial contribution to the Palestinian economy of up to $3 billion per year over the coming three years. The second part of the final sentence, “[we] look forward to further development of [Wolfensohn’s] plans and their presentation to the Quartet and the international community in September” is not a commitment and thus deserves very little attention in the final analysis of the commitment. This also suggests that changing circumstances will not change the commitment to the financial pledge.

7. Who was the money to go to—the Palestinian Authority or President Abbas?

On June 30, 2005, just prior to the Gleneagles Summit, Mr. Wolfensohn outlined his 3 year development and aid plan for Palestinian development:

A Stable Medium-Term Financial Plan for Palestinian Development: Over the medium term, the PA should create a broad development plan that is linked to a fiscally sound financial plan. This leaves donors with the choice of funding piecemeal programs, or financing a hand-to-mouth operation. I propose that the PA, with the help of the international community, engage in a fully participatory process of developing a consolidated plan, which donors can then approach in a coordinated and comprehensive way.1332

According to Mr. Wolfensohn’s intended plan for Palestinian development, the Palestinian Authority is responsible for creating the broad development plan. Although the Palestinian Authority is identified as the designated recipient of help from the international community, this does not preclude the dispersal of financial support directly to actors and agencies in the Palestinian Territory. Moreover, Mr Wolfensohn explicitly endorses a program of options and choices for donors.

8. Who is expected to undertake the reforms and ensure security for Israel—the Palestinian Authority or President Abbas?

On June 30, 2005, just prior to the Gleneagles Summit, Mr. Wolfensohn outlined his 3 year development and aid plan for Palestinian development:

A Stable Medium-Term Financial Plan for Palestinian Development: Over the medium term, the PA should create a broad development plan that is linked to a fiscally sound financial plan. This leaves donors with the choice of funding piecemeal programs, or financing a hand-to-mouth operation. I propose that the PA, with the help of the international community,

engage in a fully participatory process of developing a consolidated plan, which donors can then approach in a coordinated and comprehensive way.\textsuperscript{1333}

According to Mr. Wolfensohn’s intended plan for Palestinian development, the Palestinian Authority is responsible for creating the broad development plan.

\textbf{Final Judgement:}

The G8 committed to support Mr. Wolfensohn’s intention to stimulate the Palestinian economy by promoting a global contribution of at least $700,000,000 in 2005-6 of which the G8 must contribute 78\% or $546,000,000 (according to G8 Research Group methodology). It was hoped this global contribution would coincide with Palestinian reforms and security guarantees for Israel. It was also hoped the Palestinian Authority, led by the democratically elected Prime Minister, rather than the President, would be the recipient of the international contribution to stimulate the Palestinian economy. Although the covenant of the creation of Hamas proclaims that “Israel will exist and will continue to exist until Islam will obliterate it,”\textsuperscript{1334} this does not relieve G8 members of their obligations to this financial pledge. Additionally, although Mr. Wolfensohn’s condition of “security for Israel” cannot be ensured with the current Hamas government in control, it could neither be assured in the event of alternate election outcomes and cannot thus be considered a condition of the financial pledge. Therefore, the pledge to stimulate contributions of up to $3 billion per year remains the standard for compliance to this commitment.

\textsuperscript{1334} The Avalon Project at Yale Law School, Hamas Covenant 1988 (accessed June 26, 2006), www.yale.edu/lawweb/avalon/mideast/hamas.htm
Appendix C
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