



The G7 Research Group presents the

2020 G7 Virtual Summit Final Compliance Report

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Prepared by
Meagan Byrd
and the G7 Research Group

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www.g7.utoronto.ca
g7@utoronto.ca
[@g7_rg](https://twitter.com/g7_rg)

“We have meanwhile set up a process and there are also independent institutions monitoring which objectives of our G7 meetings we actually achieve. When it comes to these goals we have a compliance rate of about 80%, according to the University of Toronto. Germany, with its 87%, comes off pretty well. That means that next year too, under the Japanese G7 presidency, we are going to check where we stand in comparison to what we have discussed with each other now. So a lot of what we have resolved to do here together is something that we are going to have to work very hard at over the next few months. But I think that it has become apparent that we, as the G7, want to assume responsibility far beyond the prosperity in our own countries. That’s why today’s outreach meetings, that is the meetings with our guests, were also of great importance.”

Chancellor Angela Merkel, Schloss Elmau, 8 June 2015

G7 summits are a moment for people to judge whether aspirational intent is met by concrete commitments. The G7 Research Group provides a report card on the implementation of G7 and G20 commitments. It is a good moment for the public to interact with leaders and say, you took a leadership position on these issues — a year later, or three years later, what have you accomplished?

Achim Steiner, Administrator, United Nations Development Programme,
in G7 Canada: The 2018 Charlevoix Summit

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15: Global Economy: Economic Growth

“We resolve to coordinate measures and do whatever it takes, using all policy tools, to achieve strong growth in the G7 economies.”

G7 Leaders' Statement

Assessment

	Lack of Compliance	Work in Progress	Full Compliance
Canada		0	
France			+1
Germany			+1
Italy			+1
Japan		0	
United Kingdom		0	
United States		0	
European Union			+1
Average		+0.50 (75%)	

Background

The international community has emphasized the importance of economic growth through enhanced coordination and economic policy tools throughout the past decades. However, more recently this issue has been brought to the forefront due to the extreme impact of COVID-19 on the global economy. It is estimated by the World Bank that global growth could shrink by 8% in 2020.²⁹³⁴ As a result, the international community has committed once again to ensuring strong growth in G7 members despite the unforeseen circumstances.

The first time leaders committed to fostering economic growth was during the 1993 G8 Tokyo Summit.²⁹³⁵ Leaders first committed to the implementation of “prudent macroeconomic policies to promote noninflationary sustainable growth, and structural reforms to improve the efficiency of labor markets.”²⁹³⁶ Similarly, at the 1997 G8 Denver Summit, leaders reiterated the importance of “a common commitment to a medium-term economic strategy” in order to promote economic growth. The medium-term economic strategy included: strengthening structural reform and implementing fiscal consolidation and anti-inflationary policies.²⁹³⁷ Subsequent mentioning of the G8 commitment of fostering sustainable economic growth through cooperation and macroeconomic policy tools continued in the 1998 and 1999 G8 Summits.²⁹³⁸

Despite the G8's reiteration in 1998 and 1999, the importance of coordinating economic policy responses to support economic growth was not brought up again until after the 2008 economic crisis. At the 2008 G8 Toyako-Hokkaido Summit, leaders claimed that they were committed to acting both individually and collectively

²⁹³⁴ The Global Economic Outlook During the COVID-19 Pandemic: A Changed World, The World Bank (Washington) 8 June 2020. Access Date: 1 January 2021. <https://www.worldbank.org/en/news/feature/2020/06/08/the-global-economic-outlook-during-the-covid-19-pandemic-a-changed-world>.

²⁹³⁵ Economic Declaration: A strengthened Commitment to Jobs and Growth, G7 Information Centre (Toronto) 9 July 1993. Access date: 8 December 2020. <http://www.g7.utoronto.ca/summit/1993tokyo/communique/index.html>.

²⁹³⁶ Economic Declaration: A strengthened Commitment to Jobs and Growth, G7 Information Centre (Toronto) 9 July 1993. Access date: 8 December 2020. <http://www.g7.utoronto.ca/summit/1993tokyo/communique/index.html>.

²⁹³⁷ Economic Communique: Making a Success of Globalization for the Benefit of All, G7 Information Centre (Toronto) 28 June 1996. Access date: 8 December 2020. <http://www.g7.utoronto.ca/summit/1996lyon/communique.html>.

²⁹³⁸ Communique, G7 Information Centre (Toronto) 17 May 1998. Access Date 12 December 2020. <http://www.g7.utoronto.ca/summit/1998birmingham/finalcom.htm>; G7 Statement, G7 Information Centre (Toronto) 18 June 1999. Access Date: 12 December 2020. http://www.g7.utoronto.ca/summit/1999koln/g7statement_june18.htm.

to ensure stability and growth in their economies.²⁹³⁹ Further, at the 2011 G8 Deauville Summit, leaders reaffirmed their commitment to sustained economic growth through individual and collective policy action.²⁹⁴⁰

From the period of 2012-2015 leaders committed to fostering sustainable economic growth, however, this did not include pledges to coordinate measures until the 2016 G7 Ise-Shima Summit. At the summit, leaders declared the necessity to address global economic challenges and achieve growth for all while simultaneously responding in a cooperative matter and using “all policy tools – monetary, fiscal, and structural.”²⁹⁴¹ Furthermore, at the 2017 G7 Taormina Summit leaders emphasized economic growth as their priority.²⁹⁴² They also stated that they would use “all policy tools – monetary, fiscal, and structural – both individually and collectively” to achieve economic growth.²⁹⁴³ A coordinated policy response to encourage economic growth was reaffirmed at the 2018 G7 Charlevoix Summit.²⁹⁴⁴ Similar to the 2016 and 2017 G7 summits, leaders declared that they would use “all policy tools” to support strong economic growth.²⁹⁴⁵

The COVID-19 pandemic brought renewed instability to the global economy. Consequently, at the Virtual Summit on 16 March 2020 under the U.S. presidency, G7 leaders acknowledged that they would need to address the economic impact of the pandemic.²⁹⁴⁶ They stated that all G7 members were committed to restoring the economic growth that occurred in their economies prior to the pandemic and that they would cooperate to build a foundation for a “stronger future growth.”²⁹⁴⁷ At the time, the leaders expected to meet again in three months at their regularly scheduled summit on 10-12 June 2020, which was later postponed indefinitely.

Commitment Features

The G7 commitment states that “We resolve to coordinate measures and do whatever it takes, using all policy tools, to achieve strong growth in the G7 economies.” The goal of achieving strong growth in the G7 economies can be accomplished through three coordinated policy tools: 1) using monetary; 2) fiscal; and 3) structural.

“Coordinate measures and do whatever it takes, using all policy tools” is understood as two separate acts, hence the use of the word “and.” Therefore, members must coordinate measures with other G7 member and use all policy tools with the goal of achieving strong economic growth. “Strong growth” is understood as improving the conditions of a G7 economy – whether that be through growth in gross national product or gross domestic product. While “whatever it takes” is understood as a concrete action (i.e., the implementation of a policy) since a country must demonstrate its dedication to achieving strong economic growth. Full compliance is only possible if countries take concrete actions to coordinate measures and use all policy tools to achieve strong economic growth.

²⁹³⁹ G8 Hokkaido Toyako Summit Leaders Declaration, G7 Information Centre (Toronto) 8 July 2008. Access Date: 9 December 2020. <http://www.g7.utoronto.ca/summit/2008hokkaido/2008-declaration.html>.

²⁹⁴⁰ G8 Declaration: Renewed Commitment for Freedom and Democracy, G7 Information Centre (Toronto) 27 May 2011. Access Date: 8 December 2020. <http://www.g7.utoronto.ca/summit/2011deauville/2011-declaration-en.html>.

²⁹⁴¹ G7 Ise-Shima Leaders' Declaration, G7 Information Centre (Toronto) 27 May 2016. Access Date: 9 December 2020. <http://www.g7.utoronto.ca/summit/2016shima/ise-shima-declaration-en.html#initiative>.

²⁹⁴² G7 Taormina G7 Leaders' Communique, G7 Information Centre (Toronto) 27 May 2017. Access Date: 9 December 2020. <http://www.g7.utoronto.ca/summit/2017taormina/communique.html>.

²⁹⁴³ G7 Taormina G7 Leaders' Communique, G7 Information Centre (Toronto) 27 May 2017. Access Date: 9 December 2020. <http://www.g7.utoronto.ca/summit/2017taormina/communique.html>.

²⁹⁴⁴ The Charlevoix G7 Summit Communique, G7 Information Centre (Toronto) 9 June 2018. Access Date: 9 December 2020. <http://www.g7.utoronto.ca/summit/2018charlevoix/communique.html>.

²⁹⁴⁵ The Charlevoix G7 Summit Communique, G7 Information Centre (Toronto) 9 June 2018. Access Date: 9 December 2020. <http://www.g7.utoronto.ca/summit/2018charlevoix/communique.html>.

²⁹⁴⁶ G7 Leaders' Statement, G7 Information Centre (Toronto) 16 March 2020. Access Date: 9 December 2020. <http://www.g7.utoronto.ca/summit/2020usa/covid-200316.html>.

²⁹⁴⁷ G7 Leaders' Statement, G7 Information Centre (Toronto) 16 March 2020. Access Date: 9 December 2020. <http://www.g7.utoronto.ca/summit/2020usa/covid-200316.html>.

“All policy tools” is understood as the monetary, fiscal, and structural economic policies.²⁹⁴⁸ This understanding is based off of the 2016 Ise-Shima and 2017 Taormina Summit Leaders’ Declarations in which “all policy tools” are described as “fiscal, monetary, and structural.”²⁹⁴⁹ Therefore, in order for full compliance to be achieved a country must use monetary, fiscal, and structural policy tools with the aim of promoting a strong economic growth in the G7 economies.

“G7 economies” is understood as any member’s economy. Therefore, members must; 1) coordinate measures with another G7 economy with the aim of a strong economic growth; or 2) use monetary, fiscal, and structural policy tools to promote strong growth in their own economy or another member’s economy. For example, if France implemented a macroeconomic policy in coordination with Canada this would count towards compliance. However, if France changed a portion of its own macroeconomic policy to ensure strong growth, this would also count towards compliance.

Achieving Strong Economic Growth through Coordinated Measures

“Coordinated measures” is understood as members acting together through a shared policy response.

Full compliance is achieved by coordinating a policy response with at least one other G7 member with the goal of achieving strong economic growth. Examples include, but are not limited to, coordinating a multilateral fiscal policy response, or strengthening global financial institutions.

Part 1: Achieving Strong Economic Growth using Monetary Policy Tools

“Monetary policy tools” is understood as actions taken by a member’s central bank to control money supply and achieve economic growth.

Full compliance within Part 1 is achieved if a member employs monetary policy tools with the goal of achieving strong economic growth. Examples include, but are not limited to, keeping the inflation rate low, creating incentives for lending in the real economy, or temporarily extending the use of the government’s overdraft account to provide a short-term source of additional liquidity to the government if necessary.

Part 2: Achieving Strong Economic Growth using Fiscal Policy Tools

“Fiscal policy tools” is understood as the use of a government’s revenue collection and expenditure to achieve economic growth.

Full compliance within Part 2 is achieved if a member employs fiscal policy tools with the goal of achieving strong economic growth. Examples include, but are not limited to, stimulus packages that provide employment insurance for those who have lost their jobs, increased public spending on infrastructure (including on green projects such as retrofitting houses to improve energy efficiency), or wage subsidies so that businesses can afford to hire labour.

Part 3: Achieving Strong Economic Growth using Structural Policy Tools

“Structural policy tools” is understood as the implementation of policies that aim to boost an economy’s competitiveness, growth potential and adjustment capacity in order to ensure strong growth.

Full compliance within Part 3 is achieved if a member employs structural policy tools with the goal of achieving strong economic growth. Examples include, but are not limited to, making labour markets more adaptable and responsive or improving the overall business environment to allow for competition.

²⁹⁴⁸ G7 Taormina Leaders’ Communique, G7 Information Centre (Toronto) 27 May 2017. Access Date: 9 December 2020. <http://www.g7.utoronto.ca/summit/2017taormina/communique.html>.

²⁹⁴⁹ G7 Ise-Shima Leaders’ Declaration, G7 Information Centre (Toronto) 27 May 2016. Access Date: 9 December 2020. <http://www.g7.utoronto.ca/summit/2016shima/ise-shima-declaration-en.html#initiative.>; G7 Taormina G7 Leaders’ Communique, G7 Information Centre (Toronto) 27 May 2017. Access Date: 9 December 2020. <http://www.g7.utoronto.ca/summit/2017taormina/communique.html>.

In order to differentiate between full and partial compliance, this report uses a breadth and depth analysis as per the Compliance Coding Manual. For full compliance, members must take a strong action towards ensuring strong economic growth in all three target areas by coordinating: 1) using monetary policy tools; 2) using fiscal policy tools; and 3) using structural policy tools. For partial compliance, countries must take a strong action in at least two of the target areas since the commitment emphasizes the importance of “coordinated measures” and the use of “all policy tools.” Therefore, awarding full compliance to a member that does not demonstrate this dual commitment would be unfair to those who do. Members that act only in one commitment area or do not act in any area will receive non-compliance since they are not fulfilling the coordinated nature of the commitment.

For this report, strong is defined as “effective; of a good quality or level and likely to be successful.” It is assumed that in the assessment of a strong action “whatever it takes” is considered. Therefore, when assessing a “less than strong action” the dedication of the members’ action is most important. Consequently, a “less than strong action” is an action without implementation. Examples of partial compliance would include a member’s verbal commitment to addressing a particular fiscal policy to promote economic growth, but with no concrete action (i.e. policy implementation) taken. While an example of full compliance would be a member’s implementation of a particular monetary policy to promote economic growth, or their verbal commitment followed by policy implementation.

This report acknowledges that actions in which a G7 member only demonstrates a verbal declaration will receive a score of 0 for partial compliance, since they are still demonstrating support for the aforementioned targets but are just lacking the dedication to policy implementation dictated by the “whatever it takes” character of the commitment. Lastly, actions taken against this commitment, such as implementing economic policies that go against the goal of economic growth or purposefully not coordinating measures, will also be recognized as a -1 for no compliance.

Scoring Guidelines

Score	Description
-1	G7 member takes no action or a strong action in only one target area to achieve strong economic growth in the G7 economies by: 1) coordinating measures; 2) using monetary policy tools; 3) using fiscal policy tools; or 4) using structural policy tools.
0	G7 member took a strong action to achieve strong economic growth in the G7 economies in at least two of the target areas by: 1) coordinating measures; 2) using monetary policy tools; 3) using fiscal policy tools; or 4) using structural policy tools.
+1	G7 member took strong action to achieve strong economic growth in the G7 economies in all target areas by: 1) coordinating measures; or 2) using monetary policy tools; 3) using fiscal policy tools; and 4) using structural policy tools.

*Compliance Director: Isabel Davis
Lead Analyst: Matthew Remedios*

Canada: 0

Canada has partially complied with its commitment to “resolve to coordinate measures and use all policy tools to achieve strong growth in the G7 economies.”

On 18 March 2020, the Canadian government introduced a large set of fiscal stimulus measures aimed at stabilizing the Canadian economy in response to the COVID-19 pandemic.²⁹⁵⁰ The package provides CAD27 billion to directly support consumers and businesses and includes CAD55 billion to allow firms and

²⁹⁵⁰ Canada deploys large fiscal stimulus, more to come, Deloitte (London) 18 March 2020. Access Date: 4 March 2020. <https://www2.deloitte.com/ca/en/blog/economic-insights/2020/e-insight-snapshot-canada-deploys-large-fiscal-stimulus.html>.

individuals to defer tax payments, and to provide liquidity to support businesses. In total, the stimulus package equalled CAD82 billion or 3.5 percent of gross domestic product.²⁹⁵¹

On 20 March 2020, the Bank of Canada, along with the Bank of England, the European Central Bank, the Bank of Japan, the U.S. Federal Reserve, and the Swiss National Bank announced a “coordinated attempt to enhance the provision of liquidity using the standing U.S. dollar liquidity swap line arrangements.”²⁹⁵² These monetary policy actions “serve as an important liquidity backstop to ease strains in global funding markets, thereby helping to mitigate the effects of such strains on the supply of credit to households and businesses, both domestically and abroad.”²⁹⁵³

On 20 March 2020, the Bank of Canada, along with the Bank of England, Bank of Japan, the European Central Bank, the Federal Reserve, and the Swiss National Bank announced a “coordinated attempt to enhance the provision of liquidity using the standing U.S. dollar liquidity swap line arrangements.”²⁹⁵⁴ These monetary policy actions will serve as an important role as a liquidity backstop which will ease strings in global funding markets. More specifically, the action will help mitigate the effects of ease straining on the supply of credit to households and businesses.²⁹⁵⁵

On 27 March 2020, the Bank of Canada took a monetary policy action by lowering interest rates to 0.25 percent to support economic activity.²⁹⁵⁶ The Bank of Canada stated that this action would help to stabilize and provide credit in the economy.²⁹⁵⁷

Between 13 March 2020 and 20 November 2020, the Canadian government made CAD240 billion in payments and transfers to individuals, businesses, and government entities, as a part of its fiscal policy response to the COVID-19 pandemic.²⁹⁵⁸ The largest single expenditure program was the Canada Emergency Response Benefit, payments offered to unemployed Canadians.²⁹⁵⁹

On 13 May 2020, the Canadian government initiated an additional CAD962 million to fund businesses and communities affected by the pandemic.²⁹⁶⁰ The funding is part of is part of the Canadian government’s

²⁹⁵¹ Canada deploys large fiscal stimulus, more to come, Deloitte (London) 18 March 2020. Access Date: 4 March 2020.

<https://www2.deloitte.com/ca/en/blog/economic-insights/2020/e-insight-snapshot-canada-deploys-large-fiscal-stimulus.html>.

²⁹⁵² Bank of Canada: Coordinated Central Bank Action to Further Enhance the Provision of U.S. Dollar Liquidity (Ottawa) 20 March 2020. Access Date: 4 March 2020 <https://www.bankofcanada.ca/2020/03/coordinated-central-bank-action-further-enhance-provision-u-s-dollar/>.

²⁹⁵³ Bank of Canada: Coordinated Central Bank Action to Further Enhance the Provision of U.S. Dollar Liquidity (Ottawa) 20 March 2020. Access Date: 4 March 2020 <https://www.bankofcanada.ca/2020/03/coordinated-central-bank-action-further-enhance-provision-u-s-dollar/>.

²⁹⁵⁴ Coordinated Central Bank Action to Further Enhance the Provision of U.S. Dollar Liquidity, Bank of Canada (Ottawa) 20 March 2020. Access Date: 4 March 2020. <https://www.bankofcanada.ca/2020/03/coordinated-central-bank-action-further-enhance-provision-u-s-dollar/>.

²⁹⁵⁵ Coordinated Central Bank Action to Further Enhance the Provision of U.S. Dollar Liquidity, Bank of Canada (Ottawa) 20 March 2020. Access Date: 4 March 2020. <https://www.bankofcanada.ca/2020/03/coordinated-central-bank-action-further-enhance-provision-u-s-dollar/>.

²⁹⁵⁶ Bank of Canada lowers overnight rate target to ¼ percent, Bank of Canada (Ottawa) 27 March 2020. Access Date: 4 March 2020. <https://www.bankofcanada.ca/2020/03/press-release-2020-03-27/>.

²⁹⁵⁷ Bank of Canada lowers overnight rate target to ¼ percent, Bank of Canada (Ottawa) 27 March 2020. Access Date: 4 March 2020. <https://www.bankofcanada.ca/2020/03/press-release-2020-03-27/>.

²⁹⁵⁸ Ottawa has spent \$240B fighting COVID-19 in just 8 months, CBC (Toronto) 6 December 2020. Access Date: 4 March 2020. <https://www.cbc.ca/news/canada/tracking-unprecedented-federal-coronavirus-spending-1.5827045>.

²⁹⁵⁹ Ottawa has spent \$240B fighting COVID-19 in just 8 months, CBC (Toronto) 6 December 2020. Access Date: 4 March 2020. <https://www.cbc.ca/news/canada/tracking-unprecedented-federal-coronavirus-spending-1.5827045>.

²⁹⁶⁰ COVID-19: \$962 million additional support fund now available to businesses and communities affected by the pandemic, Ministry of Innovation, Science, and Economic Development Canada (Ottawa) 13 May 2020. Access Date: 9 March 2021. <https://www.canada.ca/en/innovation-science-economic-development/news/2020/05/covid-19-962-million-additional-support-fund-now-available-to-businesses-and-communities-affected-by-the-pandemic.html>.

COVID-19 Economic Response Plan, which aims to initiate more than \$149 billion to support Canadians and businesses due to the unforeseen circumstances.²⁹⁶¹

On 2 October 2020, the Government of Canada expanded the Regional Relief and Recovery Fund in order to provide further fiscal support for businesses.²⁹⁶² The Government of Canada initiated an additional \$600 million to support workers and businesses that are hit hard by the pandemic.²⁹⁶³

On 26 January 2021, the Minister of Minister of Small Business, Export Promotion, and International Trade announced the launch of the “Highly Affected Sectors Credit Availability Program.”²⁹⁶⁴ The program will work collaboratively with the Business Development Bank of Canada and some Canadian financial institutions to offer “government-guaranteed, low-interest loans of up to \$1 million.”²⁹⁶⁵

Canada took strong action by coordinating measures, using monetary policy tools, and using fiscal policy tools to achieve strong growth in the G7 economies. However, they did not use structural policy tools.

Thus, Canada receives a score of 0.

Analyst: Elisabeth Iannucci

France: +1

France has fully complied with its commitment “to coordinate measures and do whatever it takes, using all policy tools, to achieve strong growth in the G7 economies.”

On 20 April 2020, Gérald Darmanin, Minister of Action and Public Accounts, announced the 2019 tax return campaign that included both fiscal and structural policies to ensure the financial safety of taxpayers during the COVID-19 pandemic.²⁹⁶⁶ These policies included: (1) longer income declaration periods, (2) the closure of public finance centres in favour of new online government tax services, and (3) flexible withholding tax rates to account for dramatic changes in income.²⁹⁶⁷

On 22 April 2020, Bruno Le Maire, Minister of the Economy and Finance, announced the establishment of a task force set to develop a new fiscal corporate insurance program that would effectively meet the risks of

²⁹⁶¹ COVID-19: \$962 million additional support fund now available to businesses and communities affected by the pandemic, Ministry of Innovation, Science, and Economic Development Canada (Ottawa) 13 May 2020. Access Date: 9 March 2021. <https://www.canada.ca/en/innovation-science-economic-development/news/2020/05/covid-19-962-million-additional-support-fund-now-available-to-businesses-and-communities-affected-by-the-pandemic.html>.

²⁹⁶² Government of Canada expands Regional Relief and Recovery Fund to provide further support for businesses, Ministry of Innovation, Science, and Economic Development (Ottawa) 2 October 2020. Access Date: 9 March 2021. <https://www.canada.ca/en/innovation-science-economic-development/news/2020/10/government-of-canada-expands-regional-relief-and-recovery-fund-to-provide-further-support-for-businesses.html>.

²⁹⁶³ Government of Canada expands Regional Relief and Recovery Fund to provide further support for businesses, Ministry of Innovation, Science, and Economic Development (Ottawa) 2 October 2020. Access Date: 9 March 2021. <https://www.canada.ca/en/innovation-science-economic-development/news/2020/10/government-of-canada-expands-regional-relief-and-recovery-fund-to-provide-further-support-for-businesses.html>.

²⁹⁶⁴ Minister Ng announces launch of Highly Affected Sectors Credit Availability Program, Ministry of Innovation, Science, and Economic Development (Ottawa) 26 January 2021. Access Date: 9 March 2021. <https://www.canada.ca/en/innovation-science-economic-development/news/2021/01/minister-ng-announces-launch-of-highly-affected-sectors-credit-availability-program.html>.

²⁹⁶⁵ Minister Ng announces launch of Highly Affected Sectors Credit Availability Program, Ministry of Innovation, Science, and Economic Development (Ottawa) 26 January 2021. Access Date: 9 March 2021. <https://www.canada.ca/en/innovation-science-economic-development/news/2021/01/minister-ng-announces-launch-of-highly-affected-sectors-credit-availability-program.html>.

²⁹⁶⁶ Press Release: Gérald Darmanin opens 2020 Revenue Reporting Campaign, Ministry of Action and Public Accounts (Paris) 20 April 2020. Access Date: 23 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=8643EDA7-266F-4745-BC03-CE0925EBB2D0.

²⁹⁶⁷ Press Release: Gérald Darmanin opens 2020 Revenue Reporting Campaign, Ministry of Action and Public Accounts (Paris) 20 April 2020. Access Date: 23 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=8643EDA7-266F-4745-BC03-CE0925EBB2D0.

future disasters, epidemics, and unforeseen crises.²⁹⁶⁸ While the task force released a follow-up statement in June, no material action has been taken thus far.²⁹⁶⁹

On 29 April 2020, Olivier Véran, Minister for Solidarity and Health, and Minister Darmanin announced the renewal of their partial unemployment program for home-based employees.²⁹⁷⁰ This fiscal policy action intends to further accommodate employers who are unable to afford the cost of scheduled labour and/or employees who are unable to attend work.²⁹⁷¹

On 29 May 2020, Minister Darmanin announced the adoption of payment terms regarding staggered down payments on corporation taxes and added value taxes.²⁹⁷² This fiscal policy decision follows the one-month postponement of companies' tax deadlines with a particular focus on small businesses.²⁹⁷³ He further states opportunities for tax exemptions for businesses experiencing additional difficulties.²⁹⁷⁴

On 4 June 2020, Minister Le Maire and Peter Altmaier, Germany's Minister for Economics and Energy, discussed the future launch of data network project GAIA-X and what the coordinated action means for the two countries' future prosperity in economic, scientific, and labour spheres. Minister Altmaier stated, "[Digital innovation] is important for competition and future jobs ... We invite all European and international partners who share our principles [to] cooperate with us." The GAIA-X system is still in its developing stages.²⁹⁷⁵

²⁹⁶⁸ Press Release: Installation of the working group on the development of insurance coverage for exceptional events, including pandemics, Ministry of the Economy and Finance (Paris) 22 April 2020. Access Date: 23 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=0596AAE8-FDCC-4BB6-A5FC-E0F8CFA6B411.

²⁹⁶⁹ Press Release: Installation of the working group on the development of insurance coverage for exceptional events, including pandemics, Ministry of the Economy and Finance (Paris) 22 April 2020. Access Date: 23 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=0596AAE8-FDCC-4BB6-A5FC-E0F8CFA6B411.

²⁹⁷⁰ Press Release: Olivier Véran and Gérald Darmanin announce that the exceptional measure of partial unemployment dedicated to home-based employees is renewed until the first of June, Government of France (Paris) 29 April 2020. Access Date: 23 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/r/ContenuEnLigne/Download?id=45A74181-2657-4327-8C27-A2E16BEBAB21&filename=1022%20-%20CP%20Olivier%20VERAN%20et%20G%C3%A9rald%20DARMANIN%20-%20chomage%20partiel%20salari%C3%A9s%20%C3%A0%20domicile.pdf.

²⁹⁷¹ Press Release: Olivier Véran and Gérald Darmanin announce that the exceptional measure of partial unemployment dedicated to home-based employees is renewed until the first of June, Government of France (Paris) 29 April 2020. Access Date: 23 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/r/ContenuEnLigne/Download?id=45A74181-2657-4327-8C27-A2E16BEBAB21&filename=1022%20-%20CP%20Olivier%20VERAN%20et%20G%C3%A9rald%20DARMANIN%20-%20chomage%20partiel%20salari%C3%A9s%20%C3%A0%20domicile.pdf.

²⁹⁷² Press Release: Gérald Darmanin, Minister of Action and Public Accounts, adapts the terms of payment of corporate tax (IS) and contribution deposits on the added value of companies (CVAE) in the context of a gradual resumption of activity, Ministry of Action and Public Accounts (Paris) 29 May 2020. Access Date: 25 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=592B2004-95B4-433B-BABC-A088BCA87C3F.

²⁹⁷³ Press Release: Gérald Darmanin, Minister of Action and Public Accounts, adapts the terms of payment of corporate tax (IS) and contribution deposits on the added value of companies (CVAE) in the context of a gradual resumption of activity, Ministry of Action and Public Accounts (Paris) 29 May 2020. Access Date: 25 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=592B2004-95B4-433B-BABC-A088BCA87C3F.

²⁹⁷⁴ Press Release: Gérald Darmanin, Minister of Action and Public Accounts, adapts the terms of payment of corporate tax (IS) and contribution deposits on the added value of companies (CVAE) in the context of a gradual resumption of activity, Ministry of Action and Public Accounts (Paris) 29 May 2020. Access Date: 25 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=592B2004-95B4-433B-BABC-A088BCA87C3F.

²⁹⁷⁵ Joint Press Release: Under the leadership of Germany and France, Europe is taking its first step towards data infrastructure, Ministry of the Economy and Finance (Paris) 4 June 2020. Access Date: 25 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=455CDCF3-24F8-42BB-B9C7-8837AED20249.

On 5 June 2020, Minister Le Maire and Cédric O, Minister of State for Digital Affairs, announced a short-term support package of investments, loans, and grants towards struggling French tech companies.²⁹⁷⁶ These targeted fiscal increases in government expenditure are meant to foster innovation, growth, and competition within the sector.²⁹⁷⁷ The goals of the support package focus heavily on structural changes within the tech industry and the flow of investments into current and potential projects in the industry – those of which are essential to France's economic recovery.²⁹⁷⁸

On 8 June 2020, Brune Poirson, Secretary of State to the Minister for the Ecological Transition and Solidarity, and Agnès Pannier-Runacher, Secretary of State to the Minister of the Economy and Finance, engaged in a discussion with members of the Fashion and Luxury Sector Strategic Committee, in order to cultivate innovation and investments towards a sustainable and vibrant industrial recovery. This conversation involved developing fiscal and structural policy actions that would incentivize insourcing, rather than relying on their current unsustainable supply chain models.²⁹⁷⁹

On 10 June 2020, the Government of France approved fiscal measures to strengthen the tourism sector including full and partial benefit coverage to the industries and its employees for the full year, state-supported loan guarantees, and tax exemptions or postponements.²⁹⁸⁰ On 10 August 2020, new businesses were added to this coverage plan like souvenir shops or retail stores in shopping malls.²⁹⁸¹

On 11 June 2020, Minister Le Maire pronounced a new agreement between the French government and credit insurers that established a public reinsurance program for all outstanding credit insurance and maintenance of insured entities – the “CAP Relais” Program.²⁹⁸² This monetary policy agreement is designed to secure corporate cash flow and inter-company credit for financing economic activity and deliver incentives

²⁹⁷⁶ Press Release: Bruno Le Maire and Cédric O announce a short-term public support plan for tech companies, Ministry of the Economy and Finance, Investir L'avenir, and BPIFrance (Paris) 5 June 2020. Access Date: 24 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=89D97E6B-E1DC-4966-AB21-310E432F7D7E.

²⁹⁷⁷ Press Release: Bruno Le Maire and Cédric O announce a short-term public support plan for tech companies, Ministry of the Economy and Finance, Investir L'avenir, and BPIFrance (Paris) 5 June 2020. Access Date: 24 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=89D97E6B-E1DC-4966-AB21-310E432F7D7E.

²⁹⁷⁸ Press Release: Bruno Le Maire and Cédric O announce a short-term public support plan for tech companies, Ministry of the Economy and Finance, Investir L'avenir, and BPIFrance (Paris) 5 June 2020. Access Date: 24 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=89D97E6B-E1DC-4966-AB21-310E432F7D7E.

²⁹⁷⁹ Press Release: Brune Poirson and Agnès Pannier-Runacher gathered the Committee of the “Fashion and Luxury” sector and entrusted Guillaume de Seynes with a mission for the development of a sustainable French textile industry, Government of France (Paris) 8 June 2020. Access Date: 24 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=592B2004-95B4-433B-BABC-A088BCA87C3F.

²⁹⁸⁰ Press Release: The Government is strengthening the aid provided to the hotels, restaurants, cafes, tourism, sport, culture, Government of France (Paris) 10 June 2020. Access Date: 25 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=B67DD1FC-AB54-4216-A7AD-6EAE6CD769C9.

²⁹⁸¹ Press Release: Tourism Plan: new activities eligible for support measures, Minister of the Economy, Finances, and Recovery (Paris) 10 August 2020. Access Date: 24 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=B6CC3DA5-1F61-4260-B4C4-33F15254C387.

²⁹⁸² Press Release: Strengthening support for credit insurance, Ministry of the Economy and Finance (Paris) 11 June 2020. Access Date: 24 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=EC12F4B9-C335-4258-A8C3-0076D232CD81.

for future insurance investments.²⁹⁸³ This support system was recently announced to be extended into the first semester of 2021.²⁹⁸⁴

On 30 June 2020, the Banque de France announced its coordinated action with Germany's Deutsche Bundesbank and the European Union's European Central Bank under the expansion of the Bank for International Settlements' (BIS) Innovation Hubs.²⁹⁸⁵ France and Germany agreed to host two of these new hubs in order to foster further collaboration and information exchange regarding innovation and economic development.²⁹⁸⁶

On 20 July 2020, the Banque de France announced the commencement of an experiment that will test the use of "central bank currency for interbank settlements" at eight different financial institutions and improve the French financial markets. This experiment will "explore new ways of exchanging different assets for central bank money, improve the delivery of cross-border payments, and upgrade the arrangements surrounding central bank money liquidity." This action is also an example of a coordinated measure taken by the BIS Innovation Hub run by the central banks of France, Germany, and the European Union.²⁹⁸⁷

On 3 September 2020, President Emmanuel Macron released the key features of France's EUR100 billion COVID-19 recovery plan and various coordinated measures with the European Union.²⁹⁸⁸ The European Union has agreed to finance 40% of France's recovery plan, which will support investments into long-term productivity growth, energy transitions, and overall well-being of the economies throughout Europe and many G7 economies.²⁹⁸⁹

On 8 September 2020, Minister Le Maire and Alain Griset, Minister Delegate to the Minister of the Economy, Finance, and Recovery in charge of small and medium-sized enterprises, came to an agreement with the French Bank Federation's executive committee regarding the state-supported loan repayments for businesses.²⁹⁹⁰ The committee renewed its long-term commitments made in previous loan negotiations, a

²⁹⁸³ Press Release: Strengthening support for credit insurance, Ministry of the Economy and Finance (Paris) 11 June 2020. Access Date: 24 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=EC12F4B9-C335-4258-A8C3-0076D232CD81.

²⁹⁸⁴ Press Release: Bruno Le Maire, Franck Riester and Alain Griset extend and strengthen the public credit support systems between companies for the first semester of 2021, Government of France (Paris) 14 December 2020. Access Date: 24 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=E990C682-7ACB-4DF2-94DF-234ADB73964F.

²⁹⁸⁵ Press Release: The Banque de France, part within the Eurosystem, of the BIS Innovation Hub, to accelerate the collaboration among central banks in innovative financial technologies, Banque de France (Paris) 30 June 2020. Access Date: 23 February 2021. <https://www.banque-france.fr/en/communique-de-presse/banque-de-france-part-within-eurosystem-bis-innovation-hub-accelerate-collaboration-among-central>.

²⁹⁸⁶ Press Release: The Banque de France, part within the Eurosystem, of the BIS Innovation Hub, to accelerate the collaboration among central banks in innovative financial technologies, Banque de France (Paris) 30 June 2020. Access Date: 23 February 2021. <https://www.banque-france.fr/en/communique-de-presse/banque-de-france-part-within-eurosystem-bis-innovation-hub-accelerate-collaboration-among-central>.

²⁹⁸⁷ Press Release: Banque de France Press Release – 20 July 2020, Banque de France (Paris) 20 July 2020. Access Date: 23 February 2021. <https://www.banque-france.fr/en/communique-de-presse/banque-de-france-press-release-20-july-2020>.

²⁹⁸⁸ Report: European aspects of France's recovery plan, France Relance of the Government of France (Paris) 3 September 2020. Access Date: 25 February 2021. <https://www.gouvernement.fr/en/european-aspects-of-france-s-recovery-plan>.

²⁹⁸⁹ Report: European aspects of France's recovery plan, France Relance of the Government of France (Paris) 3 September 2020. Access Date: 25 February 2021. <https://www.gouvernement.fr/en/european-aspects-of-france-s-recovery-plan>.

²⁹⁹⁰ Press Release: Terms of repayment of the loan guaranteed by the State, Ministry of the Economy, Finance, and Recovery (Paris) 8 September 2020. Access Date: 24 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=EFABC670-767B-4E52-962B-198AAA4E5C89.

monetary policy agreement that Minister Le Maire believes will incentivize entrepreneurs to borrow from the banks and stimulate market activity.²⁹⁹¹

On 19 January 2021, the International Monetary Fund (IMF) released an evaluation of France's response to the pandemic and commended their economic focus that adequately, quickly, and dynamically supported their people in times of need. Minister Le Maire commented on the IMF's analysis and reaffirmed their commitment to use fiscal and monetary policies to support high-risk businesses, promote a greener and more competitive economic recovery, and rebalance the financial markets. Furthermore, he ensured a future of expansion on these three goals, as laid out in their recovery plan.²⁹⁹²

On 1 March 2021, Minister Le Maire announced the Government of France's plan to reroute an additional EUR1 billion towards the industrial sector over the next two years.²⁹⁹³ He explained that the French industrial sector struggles to be competitive and depends heavily on a limited assortment of industries; therefore, these additional funds are intended to incentivize firms to invest in digital technologies, physical capital, and insourced labour.²⁹⁹⁴ Minister Le Maire announced France was on track to meet their economic growth target of EUR40 billion and 6 per cent in 2021, due to both this fiscal policy action and other existing aspects of the COVID-19 recovery plan.²⁹⁹⁵

France's took strong action through coordinated measures with Germany and the European Union and in monetary, fiscal, and structural policies which provides evidence of full compliance to their commitment of fostering strong growth in the G7 economies.

Thus, France receives a score of +1.

Analyst: Angelina Zabajko

Germany: +1

Germany has fully complied with its commitment "to coordinate measures and do whatever it takes, using all policy tools, to achieve strong growth in the G7 economies."

On 23 March 2020, the German government announced EUR50 billion in aid for small businesses, self-employed individuals, and members of liberal professions.²⁹⁹⁶

On 6 April 2020, the German government adopted a more extensive Quick Loan Programme. The New Programme will allow small and medium-sized firms access to a "instant loan" as long as they are eligible and with certain restrictions.²⁹⁹⁷

²⁹⁹¹ Press Release: Terms of repayment of the loan guaranteed by the State, Ministry of the Economy, Finance, and Recovery (Paris) 8 September 2020. Access Date: 24 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=EFABC670-767B-4E52-962B-198AAA4E5C89.

²⁹⁹² Press Release: IMF Annual Report on Economic Response released brought by France to the health crisis, Minister of the Economy, Finance, and Recovery (Paris) 19 January 2021. Access Date: 25 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=D416C985-B843-4DC5-A308-4638BBD01B98.

²⁹⁹³ France steps up economic stimulus rollout with more cash for industry, Reuters (Paris) 1 March 2021. Access Date: 3 March 2021. <https://www.reuters.com/article/us-france-economy-idUSKCN2AT25I>.

²⁹⁹⁴ France steps up economic stimulus rollout with more cash for industry, Reuters (Paris) 1 March 2021. Access Date: 3 March 2021. <https://www.reuters.com/article/us-france-economy-idUSKCN2AT25I>.

²⁹⁹⁵ France steps up economic stimulus rollout with more cash for industry, Reuters (Paris) 1 March 2021. Access Date: 3 March 2021. <https://www.reuters.com/article/us-france-economy-idUSKCN2AT25I>.

²⁹⁹⁶ German government announces €50 billion in emergency aid for small businesses, Federal Ministry of Finance (Berlin) 23 March 2020. Access Date: 9 March 2021. <https://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2020/2020-03-23-gemeinsame-pm.html>.

On 3 June 2020, the German government announced a EUR130 billion fiscal stimulus package to stabilize the economy by providing help to citizens, companies, and local authorities, as well as investments into green and digital technology.²⁹⁹⁸

On 4 June 2020, Minister Le Maire and Peter Altmaier, Germany's Minister for Economics and Energy, discussed the future launch of data network project GAIA-X and what the coordinated action means for the two countries' future prosperity in economic, scientific, and labour spheres. Minister Altmaier stated, "[Digital innovation] is important for competition and future jobs ... We invite all European and international partners who share our principles [to] cooperate with us." The GAIA-X system is still in its developing stages.²⁹⁹⁹

On 15 June 2020, the German government announced a short time work benefit to keep employment stable during the financial crisis amidst the COVID-19 pandemic.³⁰⁰⁰ The program is designed to help employers reduce their amount of layoffs by reducing work hours with an additional government wage top up.³⁰⁰¹

On 18 June 2020, Chancellor Angela Merkel proposed and urged the European Union to approve a EUR750 billion COVID-19 recovery plan that would provide unity and cohesion for Europe's economic recovery.³⁰⁰²

On 21 July 2020, the European Union passed the EUR750 billion coronavirus recovery funds, where Germany played a pivotal role in strengthening ties among and creating unified methods to address the crisis.³⁰⁰³

On 29 June 2020, the Deutsche Bundesbank announced the expansion of the Bank for International Settlements' Innovation Hubs.³⁰⁰⁴ Germany and France agreed to host two of these new hubs in order to foster further collaboration and information exchange regarding innovation and economic development.³⁰⁰⁵

On 15 March 2021, the German government announced the launch of Zukunftsfonds, an equity fund for technologies of the future.³⁰⁰⁶ The German government will invest EUR10 billion into the initiative, aiming to mobilize EUR30 billion with further private and public partnerships.³⁰⁰⁷

²⁹⁹⁷ German government adopts more extensive Quick Loan Programme for small and medium-sized businesses, Federal Ministry of Finance (Berlin) 6 April 2020. Access Date: 9 March 2021.

<https://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2020/2020-04-07-quick-loan-programme.html>.

²⁹⁹⁸ A stimulus package for everyone in Germany, Federal Ministry of Finance (Berlin) 3 June 2020. Access Date: 28 February 2021. <https://www.bundesfinanzministerium.de/Web/EN/Issues/Priority-Issues/stimulus-package-for-everyone/stimulus-package-for-everyone.html>.

²⁹⁹⁹ Joint Press Release: Under the leadership of Germany and France, Europe is taking its first step towards data infrastructure, Ministry of the Economy and Finance (Paris) 4 June 2020. Access Date: 25 February 2021. https://minefi.hosting.augure.com/Augure_Minefi/default.ashx?WCI=ContenuEnLigne&ID=455CDCF3-24F8-42BB-B9C7-8837AED20249.

³⁰⁰⁰ Kurzarbeit: Germany's Short Term Work Benefit, International Monetary Fund (Washington) 15 June 2020. Access Date: 1 May 2021. <https://www.imf.org/en/News/Articles/2020/06/11/na061120-kurzarbeit-germanys-short-time-work-benefit>.

³⁰⁰¹ Kurzarbeit: Germany's Short Term Work Benefit, International Monetary Fund (Washington) 15 June 2020. Access Date: 1 May 2021. <https://www.imf.org/en/News/Articles/2020/06/11/na061120-kurzarbeit-germanys-short-time-work-benefit>.

³⁰⁰² Merkel urges EU to agree on €750 billion recovery plan by end of July, France 24 (Paris) 18 June 2020. Access Date: 28 February 2021. <https://www.france24.com/en/20200618-merkel-urges-eu-to-agree-on-€750-billion-covid-19-recovery-plan-by-end-of-july>.

³⁰⁰³ EU Leaders Reach Deal on €750 Billion COVID Recovery Fund, Investopedia (New York) 21 July 2020. Access Date: 28 February 2021. <https://www.investopedia.com/eu-leaders-reach-historic-deal-on-eur750-billion-covid-recovery-fund-5071916>.

³⁰⁰⁴ New BIS Innovation Hub Centre for global financial innovation to be set up jointly in Frankfurt and Paris, Deutsche Bundesbank (Frankfurt) 29 June 2020. Access Date: 9 March 2021. <https://www.bundesbank.de/en/press/press-releases/new-bis-innovation-hub-centre-for-global-financial-innovation-to-be-set-up-jointly-in-frankfurt-and-paris-835680>.

³⁰⁰⁵ Press Release: The Banque de France, part within the Eurosystem, of the BIS Innovation Hub, to accelerate the collaboration among central banks in innovative financial technologies, Banque de France (Paris) 30 June 2020. Access Date: 23 February 2021. <https://www.banque-france.fr/en/communiqu-de-presse/banque-de-france-part-within-eurosystem-bis-innovation-hub-accelerate-collaboration-among-central>.

Germany took strong action too coordinate measures and in the areas of fiscal, structural and monetary policy to achieve strong growth in G7 economies.

Thus, Germany receives a score of +1.

Analyst: James Venlauskas

Italy: +1

Italy fully complied with its commitment “to coordinate measures and do whatever it takes, using all policy tools, to achieve strong growth in the G7 economies.”

On 24 March 2020, G7 Finance Ministers and Central Bank Governors issued a joint statement re-affirming the G7 leaders’ call to ensure coordinated measures to combat the economic impact caused by the COVID-19 pandemic. In specific, they pledged to deliver the fiscal, monetary, structural policies to support global economic stability. Some measures suggested include providing liquidity enhancements, improving swap lines among our central banks and with those of other nations, and working with the private sector to overcome operational challenges.³⁰⁰⁸

On 14 April 2020, G7 Finance Ministers and Central Bank Governors met virtually to re-affirm their commitment to ensuring coordinated measures to combat the economic impact caused by the COVID-19 pandemic. The Ministers and Governors pledged to do whatever necessary to protect jobs and restore economic growth. They also stressed the importance of ensuring a coordinated economic response using all policy tools to ensure “strong, sustainable, balanced, and inclusive growth”.³⁰⁰⁹

On 19 May 2020, G7 Finance Ministers and the EuroGroup held a call to discuss ways to accelerate their domestic economies and stated that they will remain in contact regularly to coordinate economic responses due to the adverse impact of the COVID-19 pandemic.³⁰¹⁰

On 6 June 2020, the Italian government approved a EUR55 billion coronavirus spending package to assist families and firms to maneuver the economic downturn brought on by the pandemic.³⁰¹¹

On 27 October 2020, the Italian government implemented a EUR5.4 billion package which includes grants for self-employed workers, income support for families and quick relief to sectors hardest hit by the COVID-19 pandemic.³⁰¹²

On 14 December 2020, Prime Minister Giuseppe Conte stated that the Italian government would continue to implement strongly expansionary budgets to ensure economic certainty and increase the share of renewable energy sources.³⁰¹³

³⁰⁰⁶ Launch of the Zukunftsfonds, German Federal Ministry of Finance (Munich) 25 March 2021. Access Date: April 30 2021. https://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/Financial_markets/Articles/2021-03-25-launch-of-the-zukunftsfonds.html.

³⁰⁰⁷ Launch of the Zukunftsfonds, German Federal Ministry of Finance (Munich) 25 March 2021. Access Date: April 30 2021. https://www.bundesfinanzministerium.de/Content/EN/Standardartikel/Topics/Financial_markets/Articles/2021-03-25-launch-of-the-zukunftsfonds.html.

³⁰⁰⁸ Statement of G7 Finance Ministers and Central Bank Governors, U.S Department of the Treasury (Washington, DC) 24 March 2020. Access Date: 5 May 2021. <https://home.treasury.gov/news/press-releases/sm955>.

³⁰⁰⁹ Chair’s Summary: G7 Finance Ministers and Central Bank Governors Virtual Meeting, U.S Department of the Treasury (Washington) 14 April 2020. Access Date: 5 May 2021. <https://home.treasury.gov/news/press-releases/sm976>.

³⁰¹⁰ Readout from a Treasury Spokesperson on Secretary Mnuchin’s Call with G7 Finance Ministers, U.S Department of the Treasury (Washington) 19 May 2020. Access Date: 5 May 2021. <https://home.treasury.gov/news/press-releases/sm1013>.

³⁰¹¹ Italy’s Coronavirus Economic Stimulus Package, Leaders League (Paris) 5 June 2022. Access Date: 28 February 2021. <https://www.leadersleague.com/en/news/italy-coronavirus-economic-package>.

³⁰¹² Policy Response to COVID-19, International Monetary Fund (Washington) 5 February 2021. Access Date: 28 February 2021. <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#>.

On 15 January 2021, the Italian government approved another stimulus package of EUR32 billion, which provides a deferral on tax payment deadlines and extends support for workers and businesses forced to close due to public health measures.³⁰¹⁴

On 21 March 2021, the Italian and French government announced the formation of a Franco-Italian working group on space launchers and their exploitation” to help the launcher industry recover from the COVID-19 crisis. This coordinated measure is intended to strengthen the competitiveness and infrastructure flexibility of the France and Italy’s space launcher industries.³⁰¹⁵

On 9 April 2021, the Ministry of Economy and Finance issued the third BTP Futura bond, a government bond that is aimed to target retail investors. All the proceeds from the bond will be used to finance COVID-19 recovery measures implemented by the Government.³⁰¹⁶

On April 21, 2021, Prime Minister Mario Draghi committed to an investment and economic reform program the size of EUR200 billion in grants and loans. Prime Minister Draghi’s proposed reforms seek to address Italy’s economic recovery by achieving a fiscal and political integration of Europe.³⁰¹⁷

Italy took strong action to coordinate measures with the European Union, France, and used fiscal, structural, and monetary policy tools to achieve strong growth in the G7 economies.

Thus, Italy receives a score of +1.

Analyst: James Venslauskas

Japan: 0

Japan has partially complied with its commitment “to coordinate measures and do whatever it takes, using all policy tools, to achieve strong growth in the G7 economies.”

On 20 March 2020, the Bank of Japan, along with the Bank of England, European Central Bank, the Bank of Canada, the U.S. Federal Reserve, and the Swiss National Bank announced a “coordinated attempt to enhance the provision of liquidity using the standing U.S. dollar liquidity swap line arrangements.”³⁰¹⁸ These monetary policy actions “serve as an important liquidity backstop to ease strains in global funding markets,

³⁰¹³ Conte Says Italy Will Stick With Its Expansionary Policy in 2021, Bloomberg News (New York) 14 December 2020. Access Date: 28 February 2021. <https://www.bloomberg.com/news/articles/2020-12-14/conte-says-italy-will-stick-with-its-expansionary-policy-in-2021>.

³⁰¹⁴ Italy approves new stimulus package, shunting up 2021 deficit, Reuters (London) 15 January 2021. Access Date: 28 February 2021. <https://www.reuters.com/article/italy-budget-stimulus/italy-approves-new-stimulus-package-shunting-up-2021-deficit-idINL8N2JQ1PA?edition-redirect=uk>.

³⁰¹⁵ Franco Italian Declaration on the Future of European Space Launchers, Ministry of the Economy, Finance, and Recovery (Rome) 19 March 2021. Access Date: 24 April 2021. https://minefi.hosting.augure.com/Augure_Minefi/r/ContenuEnLigne/Download?id=C34F5AE3-9600-440D-9E2F-B738AADF7397&filename=802%20%20-%20Franco%20Italian%20declaration

³⁰¹⁶ BTP Futura: available the term sheet and the technical note of the third issuance, to support the country’s economic recovery post-Covid-19, Ministry of Economy and Finance (Rome) 9 April 2021. <https://www.mef.gov.it/en/ufficio-stampa/comunicati/2021/BTP-Futura-available-the-term-sheet-and-the-technical-note-of-the-third-issuance-to-support-the-countrys-economic-recovery-post-Covid-19-00001/>.

³⁰¹⁷ The EU’s future hinges on Italy’s recovery fund reforms, Financial Times (London) 21 April 2021. Access Date: 24 April 2021. <https://www.ft.com/content/37854580-7ae0-42e6-b375-02c422d60882>.

³⁰¹⁸ Bank of Canada: Coordinated Central Bank Action to Further Enhance the Provision of U.S. Dollar Liquidity (Ottawa) 20 March 2020. Access Date: 4 March 2020 <https://www.bankofcanada.ca/2020/03/coordinated-central-bank-action-further-enhance-provision-u-s-dollar/>.

thereby helping to mitigate the effects of such strains on the supply of credit to households and businesses, both domestically and abroad.”³⁰¹⁹

On 20 April 2020, the Japanese government enacted a JPY117 trillion stimulus package in response to the COVID-19 pandemic.³⁰²⁰ This package allotted funds for the securing of zero interest loans, deferment of taxes, and cash payments to Japanese residents and businesses.³⁰²¹

On 27 April 2020, the Bank of Japan made several amendments to its Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus program.³⁰²² These amendments expanded access to low interest loans by financial institutions and further defined what was considered collateral for these loans.³⁰²³

On 27 May 2020, the Japanese government announced another round of economic stimulus, amounting to JPY117 trillion, to further alleviate COVID-19 related economic hardship.³⁰²⁴

On 15 November 2020, Prime Minister Yoshihide Suga signed the Regional Comprehensive Economic Partnership, designed to boost intra-Asian economic ties, and stimulate economic growth.³⁰²⁵

On 7 December 2020, Prime Minister Suga announced a JPY75 trillion stimulus package to alleviate economic strains of the pandemic, with additional targeted investment in new growth areas.³⁰²⁶

On 18 December 2020, the Bank of Japan extended the Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus program for an additional six months until September 2021.³⁰²⁷

On 19 March 2021, the Bank of Japan resolved to meet its' two per cent inflation goal through the use of various monetary policy tools: “The Bank will establish the Interest Scheme to Promote Lending, make clear that the range of 10-year Japanese government bond (JGB) yield fluctuations would be between around plus and minus 0.25 percent from the target level, and purchase exchange-traded funds (ETFs) and Japan real

³⁰¹⁹ Bank of Canada: Coordinated Central Bank Action to Further Enhance the Provision of U.S. Dollar Liquidity (Ottawa) 20 March 2020. Access Date: 4 March 2020 <https://www.bankofcanada.ca/2020/03/coordinated-central-bank-action-further-enhance-provision-u-s-dollar/>.

³⁰²⁰ Emergency Economic Measures for Response to COVID-19 to protect the lives and lifestyles of the public and move toward economic recovery, Prime Minister of Japan and His Cabinet (Tokyo) 20 April 2020. Access Date: 25 February 2021. http://japan.kantei.go.jp/ongoingtopics/_00019.html.

³⁰²¹ Emergency Economic Measures for Response to COVID-19 to protect the lives and lifestyles of the public and move toward economic recovery, Prime Minister of Japan and His Cabinet (Tokyo) 20 April 2020. Access Date: 25 February 2021. http://japan.kantei.go.jp/ongoingtopics/_00019.html.

³⁰²² Strengthening of the Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19), Bank of Japan (Tokyo) 27 April 2020. Access Date: 25 February 2021. https://www.boj.or.jp/en/mopo/measures/mkt_ope/ope_v/index.htm/.

³⁰²³ Strengthening of the Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19), Bank of Japan (Tokyo) 27 April 2020. Access Date: 25 February 2021. https://www.boj.or.jp/en/mopo/measures/mkt_ope/ope_v/index.htm/.

³⁰²⁴ Japan approves fresh \$1.1 trillion stimulus to combat pandemic pain, Reuters (Toronto) 26 May 2020. Access Date: 25 February 2021. <https://www.reuters.com/article/us-health-coronavirus-japan-stimulus-idUSKBN2323D3>.

³⁰²⁵ The 4th Regional Comprehensive Economic Partnership (RCEP) Summit and RCEP Agreement Signing Ceremony, Ministry of Foreign Affairs of Japan (Tokyo) 15 November 2020. Access Date: 25 February 2021. https://www.mofa.go.jp/policy/economy/fta/page1e_000291.html.

³⁰²⁶ Japan unveils \$708 billion in fresh stimulus with eye on post-COVID growth, Reuters (Toronto) 7 December 2020. Access Date: 25 February 2021. <https://www.reuters.com/article/us-japan-economy-stimulus-idUSKBN28I02Y>.

³⁰²⁷ Statement on Monetary Policy, Bank of Japan (Tokyo) 18 December 2020. Access Date: 25 February 2021. https://www.boj.or.jp/en/mopo/mpmsche_minu/index.htm/.

estate investment trusts (J-REITs) as necessary with upper limits of about JPY12 trillion and about JPY180 billion.”³⁰²⁸

On 26 March 2021, the Japanese National Diet approved a JPY106.6 trillion budget for the 2021 fiscal year. The budget includes emergency spending to ensure economic recovery from the COVID-19 pandemic and investments in digital transformation and carbon neutrality.³⁰²⁹

Japan took strong action through fiscal policy and coordinated measures to achieve strong growth in the G7 economies. However, Japan has not taken strong action in the areas of structural or monetary policy.

Thus, Japan receives a score of 0.

Analyst: Thomas Dellinger

United Kingdom: 0

The United Kingdom has partially complied with its commitment “to resolve to coordinate measures and use all policy tools, to achieve strong growth in the G7 economies.”

On 20 March 2020, the Bank of England, along with the Bank of Canada, the European Central Bank, the Bank of Japan, the U.S. Federal Reserve, and the Swiss National Bank announced a “coordinated attempt to enhance the provision of liquidity using the standing U.S. dollar liquidity swap line arrangements.”³⁰³⁰ These monetary policy actions “serve as an important liquidity backstop to ease strains in global funding markets, thereby helping to mitigate the effects of such strains on the supply of credit to households and businesses, both domestically and abroad.”³⁰³¹

On 18 November 2020, Prime Minister Boris Johnson set out a GBP12 billion plan for a “green industrial revolution” which will create and support up to 250,000 highly skilled “green” jobs in the UK, and spur over three times as much private sector investment by 2030.³⁰³²

On 12 November 2020, Business Secretary Alok Sharma announced an extension of a COVID-19 grant for self-employed individuals to March 2021, cash grants of up to GBP3,000 per month for English businesses, and an additional GBP2.2 billion for local authorities to distribute to small businesses.³⁰³³

On 17 December 2020, the Bank of England set monetary policy to meet the 2 per cent inflation target to sustain economic growth and employment. The bank’s Monetary Policy Committee voted unanimously to maintain the bank rate at 0.1 per cent, continue with the programme of GBP100 billion UK government

³⁰²⁸ Further Effective and Sustainable Monetary Easing, Bank of Japan (Tokyo) 19 March 2021. Access Date: 24 April 2021. <https://www.boj.or.jp/en/announcements/release/index.htm/>.

³⁰²⁹ Japan's record budget clears parliament, more COVID-19 spending eyed, Reuters (Toronto) 26 March 2021. Access Date: 24 April 2021. <https://www.reuters.com/article/us-japan-economy-budget-idUSKBN2BI165>.

³⁰³⁰ Bank of Canada: Coordinated Central Bank Action to Further Enhance the Provision of U.S. Dollar Liquidity (Ottawa) 20 March 2020. Access Date: 4 March 2020 <https://www.bankofcanada.ca/2020/03/coordinated-central-bank-action-further-enhance-provision-u-s-dollar/>.

³⁰³¹ Bank of Canada: Coordinated Central Bank Action to Further Enhance the Provision of U.S. Dollar Liquidity (Ottawa) 20 March 2020. Access Date: 4 March 2020 <https://www.bankofcanada.ca/2020/03/coordinated-central-bank-action-further-enhance-provision-u-s-dollar/>.

³⁰³² Press Release: PM outlines his Ten Point Plan for a Green Industrial Revolution for 250,000 jobs, Prime Minister’s Office (London) 18 November 2020. Access Date: 23 February 2021. <https://www.gov.uk/government/news/pm-outlines-his-ten-point-plan-for-a-green-industrial-revolution-for-250000-jobs>.

³⁰³³ Business Secretary's statement on coronavirus (COVID-19), Government of the United Kingdom (London) 12 November 2020. Access Date: 24 February 2021. <https://www.gov.uk/government/speeches/business-secretarys-statement-on-coronavirus-covid-19-12-november-2020>.

bond purchases, and to commence a previously announced programme of GBP150 billion UK government bond purchases.³⁰³⁴

On 17 December 2020, the British government passed the UK Internal Market Act that ensures there are no harmful new barriers to trade between the four nations in the UK.³⁰³⁵

On 19 February 2021, Prime Minister Johnson met with other G7 leaders and resolved to work together to make 2021 a turning point for multilateralism and to shape a recovery that promotes the health and prosperity of people and planet.³⁰³⁶

On 6 April 2021, the United Kingdom government launched the Recovery Loan Scheme (RLS) as part of its continued fiscal support for businesses, as previously announced by the Treasury on 3 March 2021. The aim of the RLS is to help businesses of any size access loans and other kinds of financial support so they can recover after the pandemic.³⁰³⁷

On 23 April 2021, the Bank of England, the Bank of Japan, the European Central Bank, and the Swiss National Bank, in consultation with the United States Federal Reserve, coordinated to discontinue offering dollar liquidity at the 84-day maturity. This is due to the sustained improvement in U.S. dollar funding conditions and low demand at recent U.S. dollar liquidity-providing operations.³⁰³⁸

The United Kingdom took strong action through coordinating measures and using monetary and fiscal policy tools to achieve strong growth in the G7 economies. However, the United Kingdom has not used structural policy tools.

Thus, the United Kingdom has received a score of 0.

Analyst: Mike Zhao

United States: 0

The United States has partially complied with its commitment “to coordinate measures and use all policy tools, to achieve strong growth in the G7 economies.”

On 20 March 2020, the U.S. Federal Reserve, along with the Bank of England, European Central Bank, the Bank of Japan, the Bank of Canada, and the Swiss National Bank announced a “coordinated attempt to enhance the provision of liquidity using the standing U.S. dollar liquidity swap line arrangements.”³⁰³⁹ These monetary policy actions “serve as an important liquidity backstop to ease strains in global funding markets,

³⁰³⁴ Bank Rate maintained at 0.1 per cent, Monetary Policy Summary and minutes of the Monetary Policy Committee meeting, Bank of England (London) 17 December 2020. Access Date: 24 February 2021. <https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2020/december-2020>.

³⁰³⁵ Press Release: UK Internal Market Bill becomes law, Department for Business, Energy & Industrial Strategy, Cabinet Office (London) 17 December 2020. Access Date: 25 February 2021. <https://www.gov.uk/government/news/uk-internal-market-bill-becomes-law>.

³⁰³⁶ Address by Prime Minister Boris Johnson, Prime Minister's Office (London) 19 February 2021. Access Date: 23 February 2021. <https://www.gov.uk/government/news/g7-leaders-statement-19-february-2021>.

³⁰³⁷ Recovery Loan Scheme, HM Treasury and Department for business, HM Treasury and Department for Business, Energy & Industrial Strategy (London) 3 March 2021. Access Date: 24 April 2021. <https://www.gov.uk/guidance/recovery-loan-scheme>.

³⁰³⁸ Change to the provision of U.S. dollar repo operations from 1 July 2021, Bank of England (London) 23 April 2021. Access Date: 24 April 2021. <https://www.bankofengland.co.uk/news/2021/april/changes-to-the-provision-of-us-dollar-repo-operations-from-1-july-2021>.

³⁰³⁹ Bank of Canada: Coordinated Central Bank Action to Further Enhance the Provision of U.S. Dollar Liquidity (Ottawa) 20 March 2020. Access Date: 4 March 2020 <https://www.bankofcanada.ca/2020/03/coordinated-central-bank-action-further-enhance-provision-u-s-dollar/>.

thereby helping to mitigate the effects of such strains on the supply of credit to households and businesses, both domestically and abroad.”³⁰⁴⁰

On 27 August 2020, the Federal Open Market Committee announced the unanimous approval of updates to its Statement on Longer-Run Goals and Monetary Policy Strategy, which articulates its approach to monetary policy and serves as the foundation for its policy actions.³⁰⁴¹

On 22 January 2021, President Joseph Biden issued an executive order that launched “an interagency benefit coordination structure” to provide equitable emergency economic relief in the form of direct payments to working families, communities, and small businesses.³⁰⁴²

On 30 October 2020, the Federal Reserve Board adjusted the terms of the Main Street Lending Program in two important ways to better target support to small businesses. In particular, the minimum loan size for three Main Street facilities available to for-profit and non-profit borrowers has been reduced from USD250,000 to USD100,000 and the fees have been adjusted to encourage the provision of these smaller loans. The Board and Department of the Treasury also issued a new frequently asked question clarifying that “Paycheck Protection Program loans of up to USD2 million may be excluded for purposes of determining the maximum loan size.”³⁰⁴³ To date, the Main Street program has made almost 400 loans totalling USD3.7 billion, providing support to businesses from a wide range of industries. The program was established with the approval of the Treasury Secretary and with USD75 billion in equity provided by the Treasury Department from the CARES Act.³⁰⁴⁴

On 20 January 2021, President Joe Biden announced a USD1.9 trillion American Rescue Plan which contains a series of fiscal measures to support the recovery of the economy post COVID-19. Some measures include, delivering stimulus checks to working families impacted by the COVID-19 pandemic, providing grants of more than USD1 million to support small businesses, and encouraging small business lending and investing with USD35 billion in government funds.³⁰⁴⁵

On 22 January 2021, President Biden issued an executive order that launched “an interagency benefit coordination structure” to provide equitable emergency economic relief in the form of direct payments to working families, communities, and small businesses.³⁰⁴⁶

³⁰⁴⁰ Bank of Canada: Coordinated Central Bank Action to Further Enhance the Provision of U.S. Dollar Liquidity (Ottawa) 20 March 2020. Access Date: 4 March 2020 <https://www.bankofcanada.ca/2020/03/coordinated-central-bank-action-further-enhance-provision-u-s-dollar/>.

³⁰⁴¹ Press Release: The Federal Open Market Committee announced the unanimous approval of updates to its Statement on Longer-Run Goals and Monetary Policy Strategy, Federal Reserve (Washington) 27 August 2020. Access Date: 24 February 2021. <https://www.federalreserve.gov/newsevents/pressreleases/monetary20200827a.htm>.

³⁰⁴² Press Release: Talking Points: January 22 Executive Orders-Economic Relief, White House (Washington) 22 January 2021. Access Date: 25 February 2021. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/01/22/talking-points-january-22-executive-orders-economic-relief/>.

³⁰⁴³ Press Release: Federal Reserve Board adjusts terms of Main Street Lending program to better target support to small businesses that employ millions of workers and are facing continued revenue shortfalls due to the pandemic, Federal Reserve (Washington) 30 October 2020. Access Date: 24 February 2021. <https://www.federalreserve.gov/newsevents/pressreleases/monetary20201030a.htm>.

³⁰⁴⁴ Press Release: Federal Reserve Board adjusts terms of Main Street Lending program to better target support to small businesses that employ millions of workers and are facing continued revenue shortfalls due to the pandemic, Federal Reserve (Washington) 30 October 2020. Access Date: 24 February 2021. <https://www.federalreserve.gov/newsevents/pressreleases/monetary20201030a.htm>.

³⁰⁴⁵ President Biden Announces American Rescue Plan, The White House (Washington) 20 January 2021. Access Date: 5 May 2021. <https://www.whitehouse.gov/briefing-room/legislation/2021/01/20/president-biden-announces-american-rescue-plan/>.

³⁰⁴⁶ Press Release: Talking Points: January 22 Executive Orders-Economic Relief, White House (Washington) 22 January 2021. Access Date: 25 February 2021. <https://www.whitehouse.gov/briefing-room/statements-releases/2021/01/22/talking-points-january-22-executive-orders-economic-relief/>.

On 27 January 2021, Secretary of Treasury Janet L. Yellen spoke with United Kingdom Chancellor of the Exchequer Rishi Sunak regarding their shared priorities, including the need to cooperate and find multilateral solutions to ensure a strong global economic recovery.³⁰⁴⁷

The United States took strong action in the areas of monetary, fiscal, and structural policies to achieve strong growth in the G7 economies. However, it has not taken action to coordinate measures with either G7 members.

Thus, the United States has received a score of 0.

Analyst: Mike Zhao

European Union: +1

The European Union has fully complied with its commitment “to resolve to coordinate measures and use all policy tools, to achieve strong growth in the G7 economies.”

On 19 March 2020, the European Union set in motion a Temporary Framework on State Aid Rules to ensure that sufficient liquidity is available to European businesses to help sustain economic activity in Europe during and after the COVID-19 pandemic.³⁰⁴⁸ This framework includes both fiscal and monetary policy measures and allows member states to grant companies up to EUR800,000 to address their liquidity needs or grant loans with low interest rates.³⁰⁴⁹

On 20 March 2020, the European Central Bank, along with the Bank of England, Bank of Japan, the Bank of Canada, the U.S. Federal Reserve, and the Swiss National Bank announced a “coordinated attempt to enhance the provision of liquidity using the standing U.S. dollar liquidity swap line arrangements.”³⁰⁵⁰ These monetary policy actions “serve as an important liquidity backstop to ease strains in global funding markets, thereby helping to mitigate the effects of such strains on the supply of credit to households and businesses, both domestically and abroad.”³⁰⁵¹

On 6 April 2020, the European Commission used EUR1 billion from the European Fund for Strategic Investments to indirectly provide liquidity to at least 100,000 European small and medium-size enterprises (SMEs) and small mid-cap companies that have been negatively impacted by the COVID-19 pandemic.³⁰⁵² This monetary policy initiative fulfills the Commission’s commitment made on 13 March to immediately support SMEs beginning in April.³⁰⁵³

³⁰⁴⁷ READOUT: Secretary of the Treasury Janet L. Yellen’s Call with United Kingdom Chancellor of the Exchequer Rishi Sunak, U.S. Department of the Treasury (Washington, DC) 27 January 2021. Access Date: 5 May 2021. <https://home.treasury.gov/news/press-releases/jy0004>.

³⁰⁴⁸ Press Release: State aid: Commission adopts Temporary Framework to enable Member States to further support the economy in the COVID-19 outbreak, European Commission (Brussels) 19 March 2020. Access Date: 26 February 2021. https://ec.europa.eu/commission/presscorner/detail/en/ip_20_496.

³⁰⁴⁹ Press Release: State aid: Commission adopts Temporary Framework to enable Member States to further support the economy in the COVID-19 outbreak, European Commission (Brussels) 19 March 2020. Access Date: 26 February 2021. https://ec.europa.eu/commission/presscorner/detail/en/ip_20_496.

³⁰⁵⁰ Bank of Canada: Coordinated Central Bank Action to Further Enhance the Provision of U.S. Dollar Liquidity (Ottawa) 20 March 2020. Access Date: 4 March 2020 <https://www.bankofcanada.ca/2020/03/coordinated-central-bank-action-further-enhance-provision-u-s-dollar/>.

³⁰⁵¹ Bank of Canada: Coordinated Central Bank Action to Further Enhance the Provision of U.S. Dollar Liquidity (Ottawa) 20 March 2020. Access Date: 4 March 2020 <https://www.bankofcanada.ca/2020/03/coordinated-central-bank-action-further-enhance-provision-u-s-dollar/>.

³⁰⁵² Press Release: Coronavirus: Commission and European Investment Fund (part of EIB Group) unlock €8 billion in finance for 100,000 small and medium-sized businesses, European Commission (Brussels) 6 April 2020. Access Date: 26 February 2021. https://ec.europa.eu/commission/presscorner/detail/en/IP_20_569.

³⁰⁵³ Press Release: Coronavirus: Commission and European Investment Fund (part of EIB Group) unlock €8 billion in finance for 100,000 small and medium-sized businesses, European Commission (Brussels) 6 April 2020. Access Date: 26 February 2021. https://ec.europa.eu/commission/presscorner/detail/en/IP_20_569.

On 17 June 2020, the European Parliament called for structural economic policies to level the playing field for all businesses in order to prevent unfair competition from foreign companies that could distort the single market.³⁰⁵⁴

On 22 September 2020, the European Commission authorized “Support to Mitigate Unemployment Risks in an Emergency,” a fiscal policy that would supplement member states’ national efforts to prevent unemployment.³⁰⁵⁵ Under the programme, the EU will provide members with financial assistance, upon request, in the form of loans that are granted on favourable terms. Up to EUR100 billion is available to all member states.³⁰⁵⁶ This assistance supports national short-time work schemes, unemployment benefits, and similar job protection measures.³⁰⁵⁷

On 10 December 2020, the European Central Bank extended the pandemic emergency long-term refinancing operations.³⁰⁵⁸ It is stated that the action “will serve as a liquidity backstop to the euro area banking system and contribute to preserving the smooth functioning of money markets during the extended pandemic period.”³⁰⁵⁹

On 17 December 2020, the European Union approved a EUR1.8 trillion stimulus package that includes structural and fiscal policy measures.³⁰⁶⁰ The package includes the EU’s long-term budget and Next Generation EU, a temporary recovery instrument aimed at repairing the social and economic damage caused by the COVID-19 pandemic.³⁰⁶¹ Most of the package will promote modernization through research and innovation, environmental measures, and digital transformations. It also aims to make the European economy more resilient and prepared for disruptions.³⁰⁶²

The European Union has taken strong action through coordinated measures and the implementation of monetary, fiscal, and structural policies to achieve strong growth in the G7 economies.

Thus, the European Union has received a score of +1.

Analyst: Elisabeth Iannucci

³⁰⁵⁴ Foreign takeovers in Covid-19 crisis: MEPs push for level-playing field, European Parliament News (Brussels) 24 June 2020. Access Date: 26 February 2021. <https://www.europarl.europa.eu/news/en/headlines/economy/20200618STO81512/foreign-takeovers-meps-push-for-level-playing-field>.

³⁰⁵⁵ Foreign takeovers in Covid-19 crisis: MEPs push for level-playing field, European Parliament News (Brussels) 24 June 2020. Access Date: 26 February 2021. <https://www.europarl.europa.eu/news/en/headlines/economy/20200618STO81512/foreign-takeovers-meps-push-for-level-playing-field>.

³⁰⁵⁶ Covid-19’s economic impact: €100 billion to keep people in jobs, European Parliament News (Brussels) 6 November 2020. Access Date: 26 February 2021. <https://www.europarl.europa.eu/news/en/headlines/priorities/eu-response-to-coronavirus/20200416STO77205/covid-19-s-economic-impact-EU100-billion-to-keep-people-in-jobs>.

³⁰⁵⁷ Covid-19’s economic impact: €100 billion to keep people in jobs, European Parliament News (Brussels) 6 November 2020. Access Date: 26 February 2021. <https://www.europarl.europa.eu/news/en/headlines/priorities/eu-response-to-coronavirus/20200416STO77205/covid-19-s-economic-impact-EU100-billion-to-keep-people-in-jobs>.

³⁰⁵⁸ ECB extends pandemic emergency longer-term refinancing operations, European Central Bank (Washington) 10 December 2020. Access Date: 9 March 2021. <https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr201210~8acfa5026f.en.html>.

³⁰⁵⁹ ECB extends pandemic emergency longer-term refinancing operations, European Central Bank (Washington) 10 December 2020. Access Date: 9 March 2021. <https://www.ecb.europa.eu/press/pr/date/2020/html/ecb.pr201210~8acfa5026f.en.html>.

³⁰⁶⁰ EU leaders finally approve coronavirus stimulus package after Hungary and Poland lift their veto, CNBC (Brussels) 10 December 2020. Access Date: 26 February 2021 <https://www.cnb.com/2020/12/10/eu-leaders-finally-approve-coronavirus-stimulus-package.html>.

³⁰⁶¹ Recovery plan for Europe, European Commission (Brussels) n.d. Access Date: 26 February 2021. https://ec.europa.eu/info/strategy/recovery-plan-europe_en.

³⁰⁶² Recovery plan for Europe, European Commission (Brussels) n.d. Access Date: 26 February 2021. https://ec.europa.eu/info/strategy/recovery-plan-europe_en.